

To Mr. HOCH, for Wednesday, March 20, on account of official business.

To Mr. COLMER (at the request of Mr. RICHARDS), for an indefinite period, on account of illness.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1354. An act to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War.

#### ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Thursday, March 21, 1946, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1152. A letter from the director, national legislative committee, the American Legion, transmitting the proceedings of the Twenty-seventh Annual National Convention of the American Legion, held at Chicago, Ill., November 18 to 21, 1945 (H. Doc. No. 512); to the Committee on World War Veterans' Legislation and ordered to be printed, with illustrations.

1153. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report of its activities and expenditures for the month of October 1945; to the Committee on Banking and Currency.

1154. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report covering its operations for the period from the organization of the Corporation on February 2, 1932, to September 30, 1945, inclusive; to the Committee on Banking and Currency.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RANKIN: Committee on World War Veterans' Legislation submits a report pursuant to House Resolution 192 on Investigation of the Veterans' Administration (Rept. No. 1795). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Election of President, Vice President, and Representatives in Congress. H. R. 5644. A bill to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended; with amendment (Rept. No. 1796). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H. R. 5828. A bill to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to

provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," as amended; to the Committee on Insular Affairs.

By Mr. CANFIELD:

H. R. 5829. A bill to amend the act of May 22, 1896, so as to include posts of the Jewish War Veterans of the United States; to the Committee on Military Affairs.

By Mr. KEOGH:

H. R. 5830. A bill to amend the act entitled "An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department," as amended; to the Committee on Military Affairs.

By Mr. MILLER of California:

H. R. 5831. A bill to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930; to the Committee on the Civil Service.

By Mr. BATES of Massachusetts:

H. R. 5832. A bill providing for the conveyance to the town of Marblehead in the State of Massachusetts, of Marblehead Military Reservation for public use; to the Committee on Expenditures in the Executive Departments.

By Mr. GRANAHAN:

H. R. 5833. A bill to increase the compensation of postmasters, officers, and employees in the postal service; to the Committee on the Post Office and Post Roads.

By Mr. HART:

H. R. 5834. A bill to amend an act to provide compensation for disability or death resulting from injury to employees in certain maritime employments, and for other purposes; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 5835. A bill authorizing the Director of the National Park Service to erect headstones for sailors who were buried at sea; to the Committee on Naval Affairs.

By Mr. MERROW:

H. Con. Res. 137. Concurrent resolution expressing the sense of Congress that the President of the United States invite Premier Stalin to a conference for the purpose of discussing international affairs; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri:

H. R. 5836. A bill granting a renewal of patent No. 1046196 issued December 3, 1912, for device known as a smoke consumer; to the Committee on Patents.

By Mr. COOLEY:

H. R. 5837. A bill for the relief of Vivian Newell Price; to the Committee on Claims.

By Mr. MANSFIELD of Montana:

H. R. 5838. A bill for the relief of Pearle Hoen; to the Committee on Claims.

## SENATE

THURSDAY, MARCH 21, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, Thou hast created us in Thine own image and with a capacity to be like Thee in mind and in spirit.

Grant that during this day we may yield ourselves gladly and unreservedly to the pulsations of the higher life. Make us responsive to the persuasions of those ideals which Thou hast implanted within our souls.

We pray that our President and all who share in the responsibilities of government may be blessed with an ever-increasing measure of Thy guiding and sustaining spirit. In the midst of the world's trials and tribulations, may they be men of clear and commanding vision and dauntless and indomitable valor.

Inspire us with fidelity and fortitude as we seek to build a civilization for the glory of God and the welfare of mankind everywhere. Help us to live out each day in faith, in faithfulness, and in the fear of the Lord.

Hear us in the name of the Christ. Amen.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 20, 1946, was dispensed with, and the Journal was approved.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANHAM, Mr. BELL, Mr. BOYKIN, Mr. MCGREGOR, and Mr. RODGERS of Pennsylvania were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. LUDLOW, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 243) tendering the thanks of Congress to General of the Army George C. Marshall and the members of the Army of the United States who have fought

under his direction during the wars, and providing that the President of the United States shall cause a medal to be struck to be presented to General Marshall in the name of the people of the United States of America.

The message also announced that the House had passed a bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, in which it requested the concurrence of the Senate.

#### ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War, and it was signed by the President pro tempore.

#### REPORTS OF RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore laid before the Senate two letters from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of October 1945 and a report covering its operations for the period from the organization of the Corporation on February 2, 1932, to September 30, 1945, inclusive, which, with the accompanying reports, were referred to the Committee on Banking and Currency.

#### RESOLUTION OF BONNER SPRINGS (KANS.) CITY TEACHERS' ASSOCIATION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the City Teachers' Association, of Bonner Springs, Kans., in which the members commend the Federal Government for its efforts in checking inflation during wartime and urge that our economy be further stabilized in the postwar period.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolution commending the Federal Government for its efforts to maintain a stabilized economy and urging further action to avoid inflation during postwar years

Whereas living costs have been partially held in check during the war years; and

Whereas many powerful forces are now exerting extreme pressure on the Government to remove restrictions on inflation; and

Whereas many millions of workers can never hope to secure salary increases fast enough to catch up in a race with inflation: Therefore be it

Resolved by the Bonner Springs City Teachers' Association, of Bonner Springs, Kans., That suitable agencies and individuals of the United States Government be highly commended for their heroic efforts to keep the cost of living under control while the war was being fought; and be it further

Resolved, That suitable agencies and individuals of the United States Government be urged to stabilize our economy and exert

every effort to avoid further inflation during the postwar years.

HAZEL E. DEFFENBAUGH,  
President, Bonner Springs  
City Teachers' Association,  
Bonner Springs, Kans.

Action taken on March 12, 1946.

#### ALLIANCE WITH ENGLAND—COMPULSORY MILITARY TRAINING—LETTER FROM R. W. WING, ALTOONA, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a letter I have received from R. W. Wing, of Altoona, Kans., protesting against an alliance with England and opposing compulsory military training.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

ALTOONA, March 11, 1946.

DEAR MR. CAPPER: I listened to your radio speech Sunday evening and certainly do agree with you.

I do wish all of our Senators and Representatives would lay aside politics and do their very best for their own people here in the United States.

Mr. Churchill is here for no other purpose than to get that alliance signed up so the United States will have to protect England now and ever after and get that big loan from the United States. That is all England cares for us. As you said, I think we had better be very careful before our rights and freedom are signed away.

I am also opposed to compulsory military training.

Yours truly,

R. W. WING.

#### CONSTRUCTION OF HOMES FOR VETERANS—LETTER FROM AMERICAN WAR DADS

Mr. CAPPER. Mr. President, I have received a letter from Francis V. Daily, secretary of the Wyandotte County Council of the American War Dads, of Kansas City, Kans., favoring the restriction of the use of all materials for home construction exclusively to homes for veterans.

I ask unanimous consent to present the letter, and that it be printed in the RECORD.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

AMERICAN WAR DADS,

Kansas City, Kans., March 13, 1946.

HON. ARTHUR CAPPER,

Senate Chamber, Washington, D. C.

DEAR SENATOR: At a regular meeting of the Wyandotte County Council of the American War Dads, held in Memorial Hall, Kansas City, Kans., February 27, 1946, a motion was unanimously passed that a letter be sent you in solicitation of your efforts to stop shipments of lumber and other building materials being shipped from the United States, and that all materials that can be used for home construction be directed into homes exclusively for veterans until such time as the housing shortage is substantially relieved.

Very truly yours,

FRANCIS V. DAILY,  
Secretary.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance;

H. R. 4238. A bill for the relief of the Calvert Distilling Co.; without amendment (Rept. No. 1072).

By Mr. BANKHEAD, from the Committee on Agriculture and Forestry:

S. 1507. A bill to better adapt the loan programs authorized by the Bankhead-Jones Farm Tenant Act, as amended, to the needs of veterans and low-income farmers, and for other purposes; without amendment (Rept. No. 1073).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MEAD:

S. 1973. A bill to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act; to the Committee on Civil Service.

By Mr. MAYBANK:

S. 1974. A bill to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. KILGORE (for himself and Mr. MITCHELL):

S. 1975. A bill to limit the disposal of surplus munitions of war, to amend the Surplus Property Act of 1914, and for other purposes; to the Committee on Military Affairs.

By Mr. FERGUSON:

S. 1976. A bill to exempt certain vessels from filing passenger lists; to the Committee on Commerce.

S. 1977. A bill for the relief of Nicola Yonou; to the Committee on Immigration.

#### AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

#### HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, was read twice by its title and ordered to be placed on the calendar.

#### SPECIAL ASSISTANT TO COMMITTEE ON EDUCATION AND LABOR

Mr. MURRAY submitted the following resolution (S. Res. 243), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Education and Labor hereby is authorized to employ a special assistant to be paid from the contingent fund of the Senate at the rate of \$5,640 per annum from April 1 to June 30, 1946.

#### PRINTING OF REVIEW OF REPORTS ON THE SACRAMENTO RIVER, CALIF. (S. DOC. NO. 142)

Mr. BAILEY. Mr. President, I present a letter from the Secretary of War transmitting a report dated February 8, 1946, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of reports on the Sacramento River, Calif., requested by a resolution of the Committee on Commerce, and I ask unanimous consent that it be referred



to the Committee on Commerce and be printed as a Senate document, with the illustration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### ADDRESS BY SENATOR LA FOLLETTE AT CONFERENCE OF THE WISCONSIN PROGRESSIVE PARTY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD the address delivered by him at the conference of the Wisconsin Progressive Party at Portage, Wis., March 17, 1946, which appears in the Appendix.]

#### PETITION BY WISCONSIN CHEESE MAKERS ASSOCIATION FOR AMENDMENT OF MAXIMUM PRICE REGULATION NO. 289

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a copy of a petition for amendment of Maximum Price Regulation No. 289, filed by the Wisconsin Cheese Makers' Association with the OPA on March 20, 1946, which appears in the Appendix.]

#### TRIBUTE TO THOMAS A. EDISON BY DR. LESTER H. CLEE

[Mr. SMITH asked and obtained leave to have printed in the RECORD an address on the life and influence of the late Thomas A. Edison, delivered on February 13, 1946, by Dr. Lester H. Clee, pastor of the Second Presbyterian Church of Newark, N. J., which appears in the Appendix.]

#### PRIVATE ENTERPRISE—A BULWARK OF PEACE—ADDRESS BY C. J. HENDERSON

[Mr. CARVILLE asked and obtained leave to have printed in the RECORD an address on the subject Private Enterprise—A Bulwark of Peace, delivered by C. J. Henderson on the Pacific Round Table program, at Honolulu, Hawaii, on March 6, 1946, which appears in the Appendix.]

#### ADDRESS BY MSGR. FULTON J. SHEEN BEFORE THE FRIENDLY SONS OF ST. PATRICK

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Msgr. Fulton J. Sheen before the Friendly Sons of St. Patrick, at New York City, on March 16, 1946, which appears in the Appendix.]

#### UNITY NEEDED IN WASHINGTON—EDITORIAL FROM THE ARKANSAS DEMOCRAT

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Unity Needed in Washington," published in the Arkansas Democrat of Little Rock, Ark., on March 17, 1946, which appears in the Appendix.]

#### THE NATIONAL HOUSING SITUATION—LETTER FROM CHESTER BOWLES TO WILSON WYATT

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a letter dated January 11, 1946, from Chester Bowles to Wilson Wyatt, Federal Housing Expediter, dealing with the national housing situation, which appears in the Appendix.]

#### MEMORIAL ADDRESS ON THE LATE PRESIDENT ROOSEVELT BY JOHN T. WELSH

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a memorial address on the late President Franklin D. Roosevelt, delivered by John T. Welsh, of South Bend, Wash., on April 13, 1945, which appears in the Appendix.]

#### SINKING OF THE YUKON

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a letter from Ed Coester, of the Sailors' Union of the Pacific, and an article from the West Coast Sailor, relative to the sinking of the Yukon, which appear in the Appendix.]

#### THE ALUMINUM INDUSTRY OF THE NORTHWEST

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD letters and telegrams addressed to him with regard to the operation of aluminum plants in the State of Washington, which appear in the Appendix.]

#### AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed the consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. TAFT. Mr. President, I desire to make a few remarks with regard to the pending amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the minimum wage bill.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Austin	Guffey	Murdock
Bailey	Gurney	Murray
Ball	Hart	Myers
Bankhead	Hatch	O'Daniel
Barkley	Hawkes	O'Mahoney
Bilbo	Hayden	Overton
Brewster	Hickenlooper	Pepper
Bridges	Hoey	Radcliffe
Buck	Huffman	Reed
Bushfield	Johnson, Colo.	Revercomb
Capehart	Johnston, S. C.	Russell
Capper	Kilgore	Saltonstall
Carville	Knowland	Smith
Connally	La Follette	Stanfill
Cordon	Lucas	Stewart
Donnell	McClellan	Taft
Downey	McFarland	Taylor
Eastland	McKellar	Tunnell
Ellender	McMahon	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wheeler
George	Millikin	White
Gerry	Mitchell	Wiley
Gossett	Moore	Willis

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

Mr. WHITE. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Nebraska [Mr. BUTLER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is still detained on official business.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of the illness of a relative.

The Senator from Iowa [Mr. WILSON] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Seventy-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendments proposed by the Senator from Arkansas [Mr. FULBRIGHT] to the so-called Ellender-Ball amendment to the amendment of the committee.

Mr. TAFT. Mr. President, I desire to make a brief statement on the general principles of the minimum wage bill and the amendment offered by the distinguished Senator from Louisiana [Mr. ELLENDER] on behalf of himself and the Senator from Minnesota [Mr. BALL]. There seems to be some reluctance to come to a vote on this measure, and I do not desire at the present time to make a comprehensive statement, but I do want to say something about the guiding principles which I think should determine the rate that should be fixed as the minimum wage which is to be placed in this bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I merely wish to suggest that, on the contrary, instead of there being any reluctance to vote on this measure, it might be well that Senators be advised of the possibility of a vote tomorrow. The able majority leader, the Senator from Kentucky [Mr. BARKLEY], has just told me that he wanted the Senate to be in session tomorrow. I thought Senators might be making various plans, and that the Senate might continue to discuss the bill today and perhaps begin to vote on the essential amendments tomorrow. At least so far as we are concerned, we would be ready to do so.

Mr. McCLELLAN. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. McCLELLAN. I rise to express the hope that no action will be taken on the bill and no vote will be taken on any amendments to it tomorrow. I do not know exactly how, but I gained the impression that the Senate was not to take any decisive action on the measure or on any amendments until next week. I have made my plans and I know that my colleague has made plans to be absent tomorrow to keep engagements previously made. I hope that action on the measure will be delayed, or at least that voting on important amendments will be delayed until next week.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. In that connection I wish to make this statement: The bill has dragged on in committee and in the Senate interminably. When we have

tried to urge prompt consideration of it the excuse always made is that Senators are absent. That is a matter over which I have no control. I realize that many Senators are going to be absent over the week end, because Jackson Day dinners will be held and Jackson Day speeches are to be made all over the country Saturday night, just as Lincoln Day dinners were held and Lincoln Day speeches were made all over the country in February, the difference being that the Jackson Day speeches will be much better than were the Lincoln Day speeches. [Laughter.]

Nevertheless many Senators are going to be absent over the week end, and some of them may have to leave tomorrow in order to keep their appointments. I myself had an appointment in Kansas City on Saturday night, from which I have been compelled to be released for reasons which I need not explain.

But I hope, Mr. President, that the Senate will make progress on this bill. We have to meet tomorrow in order to adjourn over to Tuesday, the assumption being that Senators will not be back on Monday from engagements which they are compelled to fill, and that is perfectly natural and understandable. But the first thing we know the housing legislation will be before the Senate. There are two housing bills which we must consider separately. Soon we are going to have before us legislation respecting the CPA and also legislation respecting the British loan. The Senate will be jammed up with legislation in addition to the appropriation bills. It seems to me, inasmuch as the minimum-wage bill is now before the Senate, that Senators ought to exert some effort to expedite its consideration, so that amendments may be voted on and a final determination of the bill reached.

Mr. TAFT. Do I understand the Senator from Kentucky to say that there are to be Jackson Day dinners all over the Nation in violation of the President's suggestion that all banquets be abandoned?

Mr. BARKLEY. The Jackson Day dinners not only will not be in violation of the President's suggestion, but will be in complete compliance with his suggestion. If the newspaper accounts are correct the Jackson Day dinners will be the smallest, insofar as amount of food is concerned which will be available, of any dinners that have ever been held for the same price in the history of the United States.

Mr. TAFT. I am delighted to hear that. I was afraid that any Senator who would attend such a dinner might be purged from the Democratic Party, and I would not like to see such a thing happen.

Mr. BARKLEY. I may discuss that situation someday, but it will have no relevancy to the dinner.

Mr. President, I appreciate what the Senator from Arkansas said, and I am not going to try to push the matter along or try to have any important votes taken tomorrow if the Senator is not going to be here. But I urge Senators to get back to Washington the first of the week, if possible Monday, certainly not later than

Tuesday, no matter where they are going, or on what mission they are going, so that we may proceed with the bill, have it considered, and have the Senate pass on it.

Mr. McCLELLAN. Mr. President—  
The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. TAFT. I yield.

Mr. McCLELLAN. I merely wish to say to the majority leader that, as he has well stated, many of us have made engagements, have entered into obligations, and have planned accordingly. It is not my purpose to try to have action on the bill delayed in any respect.

Mr. BARKLEY. I understand.

Mr. McCLELLAN. I am perfectly willing, so far as I am able, to cooperate in every way to expedite the pending legislation to a conclusion. But we cannot fulfill other obligations into which we have entered and be present to vote on amendments tomorrow. I remember very well that the Senate recessed for the convenience of the Republicans so they might be present at Lincoln Day dinners.

Mr. BARKLEY. Yes.

Mr. McCLELLAN. The Senate suspended action on business before it at that time. The pressure of legislation, procedure, and objectives was not so great that Republicans were not permitted to have their field day in politics. I feel that the pending legislation, controversial as it is, should not be made an order of business tomorrow with important votes on amendments which are controversial, when many of us have to be away in order to keep engagements previously made.

Mr. BARKLEY. I fully appreciate that, and I will say to my good friend from Arkansas that I have been particeps criminis in some of the arrangements. We have a way here of entering into gentlemen's agreements. We made one when the Republicans were going around over the country in February making speeches on Lincoln and Truman. Now we want to hook up the President with Andrew Jackson and we have perfectly proper and legitimate reasons for doing so.

Mr. TAFT. Am I correct in understanding that the dinners—the cheapest of them—are to cost each guest \$100?

Mr. BARKLEY. No; not all of them. They range in price. The price depends on various factors. There is no arbitrary rule about it. I might also say that we never inquire of the Republicans what they charge those who attend their Lincoln Day dinners.

Mr. TAFT. We never capitalize on Lincoln from a financial standpoint.

Mr. BARKLEY. The dinner to be held in Washington will cost \$100. Prices range from that down. I do not think any of them will cost more than \$100. They range down to \$10. If the Senator from Ohio would agree to come to one of them, I would agree to give him a \$100 ticket.

Mr. TAFT. Mr. President, I intend to deal with the rate question only in connection with the pending bill.

The present law was enacted in 1938. It provided a minimum wage of 25 cents an hour for 1 year, 30 cents an hour for 6 years, and 40 cents an hour thereafter. The minimum wage, therefore did not reach 40 cents an hour until 1944. In the meantime in some industries it became somewhat higher. Industries could raise wages through the industry committees, with the approval of the Wage and Hour Administrator. They could raise the 30-cent rate gradually to not more than 40 cents; but the 40-cent rate was not reached until 1944, after 3 years of war.

It is proposed by the current bill to raise the 40-cent rate at once to 65 cents an hour; in 2 years to 70 cents; and in 4 years to 75 cents. Roughly speaking, the weekly wage can be obtained by multiplying the rate by 40. The annual wage can be obtained by multiplying the hourly rate by 2,000, which is approximately the number of hours worked during the year.

The minority feel that an adequate and generous increase would be made by raising the rate to 55 cents an hour at once, and, after 18 months, to 60 cents, an increase of 50 percent over the existing minimum rate of 40 cents.

The advocates of the pending bill seem to feel that the only question to be considered is the kind of wage we would like to pay people in the United States. In substance the argument is that all we have to do is to pass a law sufficiently broad, and every family in the United States can immediately enjoy \$2,500 a year, \$3,000 a year, or any sum we choose to fix. I certainly would like to bring about that result, but the problem is not so simple as that.

I suppose that all of us agree that the Government should not undertake to fix the wages of every person who is working in the United States. This would involve a complete abandonment of the freedom under which individuals and businesses have always operated in this country, the very freedom for which we fought many wars, and which is guaranteed by our Constitution. Government wage-fixing would mean that the Government would attempt to fix the value of every man's work and necessarily would have to fix all prices. This is the very essence of socialism. In other words, a man's reward would be determined by the Government, and not by the normal processes of competition, which reach a much closer approximation to the real value of a man's work. By the means suggested we would necessarily have a completely socialistic system. I do not believe that any Member of the Senate favors that kind of a system; but if we are not going to say that the Government shall fix the wages of the people of the United States, and do not favor general wage fixing, on what theory do we press a minimum-wage law? All of us seem to agree that the wage a man receives should be in accordance with the productive value of his labor and the value of the product into which it goes. If he gets more than that, costs of production increase so that the product cannot be sold, and there is no employment at all in that field. If he gets



less, someone is making an improper profit out of him. The distinguished Senator from Montana [Mr. MURRAY] said on Thursday:

A fair or adequate wage should have two characteristics: First, it should correctly reflect the productive contribution made by the employee as established through fair and open collective bargaining; second, it should be sufficient to maintain the wage earner and his family on a reasonably adequate standard of living.

I respectfully submit that the two standards are entirely contradictory. We cannot have both. The difficulty with the definition "sufficient to maintain the wage earner and his family on a reasonably adequate standard of living" in many cases is that it might represent far more than the productive contribution made by a particular employee. We all know that there is a tremendous difference in the capacity of different men and women and in their diligence, willingness to work, and ability. We know also that there is a great difference in the jobs in which they are engaged—that in some industries the product may be very much sought after by others, so that they are willing to pay a high price for the labor going into the product, and in other industries an attempt to raise the price of the product would only result in the disappearance of the market.

The question is, How far we can pay a wage higher than the apparent productive value of the services without doing more harm than good and upsetting the normal productive processes of the country?

I voted for a minimum wage for women in 1921 in the Ohio Legislature. It was justified on the ground of economic oppression. It was pointed out that unions could obtain the value of their services by collective bargaining, but that many unorganized workers, such as waitresses in city restaurants and store employees, had to take what was offered them. The law was proposed as a means of securing the real value of these services in the case of workers unprotected by unions. This is still the best justification for a minimum-wage law.

But when the minimum-wage law of 1938 was passed, it had an additional purpose. It was felt that people could be educated to pay more for certain services than their then value on the economic market. Perhaps competition in the textile industry had reduced the price of textiles unduly and the people expected to buy them at prices really below what they should pay. But even in this field it was recognized that the rise of price must be gradual, and the wages-and-hours law of 1938 was graded from 25 cents an hour up to 40 cents an hour. It was realized that if the wage were increased too rapidly, involving a too-rapid increase in the price of the product, it would result in more unemployment and leave the supposed beneficiaries of the law worse off than they were before. Thus, in section 8 of that law, the industry committees and the Administrator are authorized to recommend an increase only if the increase, "having due regard to economic and

competitive conditions, will not substantially curtail employment in the industry."

It was realized that the objective sought could be attained too rapidly; that if we wished to raise the return to the worker above the then economic value of his services as reflected in the value of the product made by him, it would have to be done by a process of education of the people. That process is necessarily slow. Otherwise, if we go too fast, the people will say, "We never paid that much for this product. We do not want it at that price. There are other things that we can buy." The result is that the article is not produced, people are thrown out of work, and we defeat the very purpose which we are trying to accomplish, namely, raising the living standard of those who are receiving the particular wages. Whether the people can be educated to buy at higher prices is always doubtful, but it is certain that they can only be so educated by a gradual process.

The classic example of this result our Senate committee saw in Puerto Rico. The first wage-hour law was applied to Puerto Rico where standards of living are about one-half those in the poorest continental State. The needlework industry in western Puerto Rico was wiped out over night, and for 5 years after that time there were 50,000 people unemployed in that part of the Island.

The process has hardly had a test. In this country the result has not been so striking. The 40-cent minimum was reached only in 1944, when the whole wage level had risen under war pressure. Furthermore, in this country an industry as a whole is not likely to be destroyed. The difficulty is that the less efficient producers and the small industries are driven out of business and the industry is likely to be concentrated in the large mass production units and the monopolistic companies in the industry. Many small businesses exist in the United States because they do pay somewhat lower wages which they are able to do without oppression because they operate in small towns or in sections of the South where the cost of living is much less. A too rapid increase in the minimum wage will not only wipe out these small businesses, but it will bring unemployment and depression to many small towns and many sections of the United States.

There is another danger, Mr. President, in increasing the minimum wage too rapidly. There may be cases in which the increase of the minimum wage will not increase the price of the product, but broadly speaking this cannot be true. An increase in wages, unless balanced by increased productivity, must increase the cost of the product. There is no evidence in any statistics that there has been an increase in productivity of labor during the past 4 or 5 years. It was argued by the distinguished Senator from West Virginia that after the last war, productivity increased rapidly. That, certainly, is no evidence that it will necessarily do so after this war. After it has increased, we can take due ac-

count of that fact by further legislation. An increase of the minimum wage tends to increase wages all along the line. Whatever we may say about the wage to be paid inefficient workers, human nature is such that a comparatively higher wage must be paid to those who are more efficient in the brackets of pay above the minimum. The employer feels that he should do so and the people who are working in the factory feel that they should receive more pay. The universal testimony before the committee was that an increase in the minimum wage shoves up wages all along the line—perhaps not to the same extent, but to some extent. If we increase the minimum wage too rapidly, therefore, it means inflation. Even Chester Bowles, the prophet of the ridiculous economic theory that wages can be increased without increasing prices, recognizes that some increases will result from the rates proposed under the pending bill.

If we do get inflation, we accomplish nothing by raising the minimum wage because the recipient has to pay more for everything he buys. So if we go beyond the proper limit, beyond the limit which we can soundly support, we shall make the recipient pay an additional price for everything he buys; and if we thus go beyond the proper figure which we can establish, we do not do anyone any good, but we upset every industry.

Again, Mr. President, this is not an argument against any increase, but is only an argument that to accomplish its purposes a minimum wage increase must be extremely gradual. Take, for example, the case of farm labor. The authors of this bill do not have the nerve to apply the law to farm labor, but the theory which they advocate applies just as well to agricultural labor as it does to industrial labor. Why do they not include farm labor? Because they realize that it would so increase the farmers' costs that it would either wreck the farmers or force an increase in agricultural prices which would bring about inflation.

I may say that by expanding their definition of interstate commerce, and by removing all exemptions right up to the gate of the farm, they are indirectly forcing an increase in farm labor. To the extent that they do so, their action undoubtedly will increase the already dangerous threat of inflation in this country and will increase the price of the food purchased by the very people they are trying to benefit.

Mr. President, the advocates of the bill talk as if they are dealing with only a few low-wage industries. That is not the case. The bill by removing many exemptions attempts to affect wages in every small town and every remote agricultural region in the United States. If it became effective, it would change the economic aspect of countless activities outside of the industries so frequently referred to. It would wipe out many small businesses and would bring economic ruin to many small towns and to whole sections of the country. As far as the big businesses are concerned, most of them pay far more than any figure

mentioned in this bill. If the bill applied to my own city of Cincinnati only, I would vote for it in a moment. But this is an attempt to write a statutory minimum for a vast country with tremendously different conditions responsible for its fairly general prosperity today.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Perhaps the Senator from Ohio would prefer not to be interrupted at this time.

Mr. TAFT. No; I am glad to yield to the Senator from Florida.

Mr. PEPPER. The Senator from Ohio has just said, or has left with me the impression, that perhaps large businesses are paying rates higher than those provided for or required by the bill. I should like to ask the Senator if he thinks that is true with respect to the chain stores. For example, under the extended coverage of the bill the large chain-store groups of the Nation will be brought under the minimum-wage law. They would be required to pay to the clerks in their stores a minimum of 65 cents an hour. Does the able Senator think the clerks in those stores are paid such wages at the present time?

Mr. TAFT. I really do not know; I have not examined the evidence as to them. The Senator from Florida may be correct, and that group may be an exception. I was thinking of the large industries; I believe I used the word "industry." But I referred to the large companies—for instance, General Motors. We know about most of them. As I have said, so far as cities such as Cincinnati are concerned, either 65 cents an hour is being paid or they could very easily reach that figure without any bad results.

So, Mr. President, in my opinion, the question is one of degree. I believe that we can improve conditions with a minimum-wage law, and that we can gradually accomplish some of the proper purposes of a minimum wage. But what does this bill propose to do? As I have pointed out, the act of 1938 provided a minimum wage of 25 cents for 1 year, 30 cents for 6 years, and 40 cents thereafter. The minimum statutory rate, therefore, on January 1, 1941, which is the usual basis of wage-rate calculations, was 30 cents. Toward the end of the war in 1944, it reached 40 cents. Now it is suddenly proposed to boost this statutory rate to 65 cents at once, 70 cents in 2 years, and 75 cents in 4 years. That would mean an increase of 116 percent at once over prewar rates, and 150 percent after 4 years. This compares with perhaps a 50-percent increase for workers in the mass-production industries of steel and automobiles, and a 40-percent general increase throughout the United States. The members of the minority propose a 55-cent rate immediately, and after 18 months a 60-cent rate. This is an 84-percent increase, or more than twice the increase to other workers, and a 100-percent increase after 18 months.

The distinguished senior Senator from West Virginia [Mr. KILGORE] the other day said that we must do this in order

to give these workers their share of the increased national income. Of course, the increase in the national income is brought about by many factors, including the increase in prices, the increase in wage rates, and various other increases, some of which will necessarily be removed—as, for instance, the increase in overtime pay, the increase in the number of people who are employed, and a number of other different relations. But with respect to the other workers, even the 55-cent increase which we propose is an 84-percent increase over the prewar rates, as compared to an increase of approximately 40 percent or 50 percent for the general worker. So, under our proposal, we would give those workers a larger share in the national income than the other workers are receiving. The increases to which I have referred compare with a 33-percent increase in the cost of living.

Instead of being accused of parsimony, Mr. President, it seems to me that on the basis of any comparisons our rates are exceedingly liberal, certainly as great as we can hope to secure without causing unemployment and inflation.

If, instead of comparing the rates with prewar rates, we compare them with 1944 rates, when the rate reached 40 cents, the figures in the bill mean an increase of 62½ percent at once, 75 percent after 2 years, and 87½ percent after 4 years. This compares with an increase, including the 18½ cents recently granted in some industries, of from 15 to 20 percent for other workers since 1944. Our minority proposal would be a 37½-percent increase at once, and a 50-percent increase after 18 months. There has been practically no increase in the cost of living since 1944.

It is suggested that the real minimum wage during the war has been 55 cents. This, however, only applied to war industries and was not a general wage throughout the United States. Furthermore, if the War Labor Board felt that 55 cents was as high as they could go at the height of war activity, it would seem dangerous to go higher today in the absence of any evidence of increased productivity.

The argument is made that we must have a minimum wage sufficient to support a family of four at the rate of not less than \$2,000 a year. Nearly all the evidence related to that argument. The difficulty with this argument is that it proves too much. If this were the only consideration, we should make the minimum wage a dollar an hour. The authors of the bill recognize that that cannot be done. They recognize that there are other considerations. As a matter of fact, there is no reason why a minimum wage should support a family of four. There are 15,000,000 single workers in the United States, and, for the most part, they are the less experienced younger people who have not yet reached a family status. There is no reason why every errand boy should receive wages sufficiently high to enable him to support a family of four.

But this is not the real consideration. The question is, How far can we increase the minimum wage without causing unemployment and inflation, and thereby

doing more harm than good? I have tried to figure every reasonable comparison, and my sincere judgment is that the committee bill will not accomplish its purposes, and will do far more harm to the prosperity and welfare of the very people it is trying to help than it will do good, and that it will reduce their employment or increase the prices they have to pay. I believe it would cause serious damage to small business, and depression in many sections of the country and in small towns. I believe that the rates which the Senator from Louisiana [Mr. ELLENDER] proposes are reasonable and capable of accomplishment. When general productivity has increased, we can easily consider the further raising of the minimum wage.

Mr. TAYLOR. Mr. President, I was interested to read the other day that factory wages dropped 37 percent during 1945. That fact appeared in the December Monthly Report on Civilian Production Administration issued by the Civilian Production Administration. During the first quarter, total industrial wages averaged about two and a half billion dollars a month, but in October 1945 they were down to one and six-tenths billion dollars.

This drop was the result of a 22-percent decrease in industrial employment, and a 10-percent decrease in hours worked. The aspect of this situation that interests me most at the moment is the 10-percent cut in hours. Unquestionably, all that 10-percent decrease in time was in the overtime bracket, so that it means that workers' incomes fell considerably more than 10 percent. If they were being paid time and a half for overtime, as most of them were, it meant anything from a 15-percent to a 40-percent cut in wages, depending on the amount of overtime they were working.

I ask Senators to consider this fact along with another one which was brought out during the hearings recently held on Senate bill 1349 which would amend the Fair Labor Standards Act and establish 65 cents an hour as an immediate minimum wage for all workers in interstate commerce. In January 1944, at the very peak of our war production, 34 percent of America's nonagricultural workers were earning less than 60 cents an hour, and 11 percent, or nearly 3,000,000 workers, were still earning less than 40 cents an hour. They were, of course, in the intrastate industries not covered by the Fair Labor Standards Act. Of those covered by the act, 20 percent were earning less than 65 cents an hour during the summer of 1945.

These facts—both the wage cuts and the low wages themselves—do not jibe with the propaganda which is being circulated that American workers are grossly overpaid. It gives plenty of logic to the wave of strikes for living wages which is sweeping the country. And it makes the passage of Senate bill 1349, which establishes a minimum wage of 65 cents now and 75 cents in 2 years, one of the most urgent tasks facing Congress today.

Forty cents an hour times 40 hours is \$16 a week. Could you, Mr. President, live on \$16 dollars a week today, and support your family? Sixty-five cents an hour times 40 hours is \$26 a week. Could



any Senator live on that? Would he expect anyone he knew to live on that? And yet, \$26 a week is more by many dollars than 34 percent of the nonagricultural workers of our great country receive in any week of the year. It is more by many dollars than 20 percent of our non-agricultural workers who are covered by the Fair Labor Standards Act ever receive. And, however we may look at it, it is less than the minimum needed to support a family on what the experts call a subsistence level. That was proved during the hearings by testimony from unbiased Government witnesses.

Yet the future prosperity of this country depends on a huge increase in the production and sale of a type of consumer goods which not one single family earning less than \$26 a week can ever hope to be able to buy. This is the frightening contradiction with which we in America are faced today. If industry cannot achieve and maintain a high level of sales of relatively expensive durable consumer goods such as automobiles, refrigerators, good radios, houses, and so on, it cannot possibly manage to achieve and maintain full employment, good profits, and a prosperous national economy. It is, therefore, to industry's own selfish, special interest to see to it that the 65-cent minimum-wage bill becomes law at once.

Chester Bowles, Office of Price Administration chief, put the problem in a nutshell in a letter which he wrote to the Senate Education and Labor Committee. He said:

Right here at our feet lies our greatest undeveloped market—a market which can be tapped to improve income and employment opportunities for everyone simply by raising the level of minimum wages.

Everyone knows that there are literally millions of Americans who cannot afford to buy any of the comfort products which we all think of as making up the American standard of living. And so long as that condition remains, so long as we have any "undeveloped markets," as Mr. Bowles so tactfully calls them, so long as substandard, subminimum wages result in huge sectors of our population being unable to buy the things they need, just so long will our famous American standard of living be a double standard—luxury for some, want for others; plenty for some, starvation for others; comfort for some, misery for others. That is not my concept of what we mean by the American standard of living.

Of course, on the other side of the picture are all the low-wage industries which came before the Education and Labor Committee hearings and claimed they could not possibly pay minimum wages as high as 65 cents without going bankrupt or getting huge price increases. It pays to look at a few of these industries and see what are the facts.

The executive vice president of the United States Independent Telephone Association stated that a wage raise among its low-paid employees to 65 cents would deprive workers of jobs because the companies would be forced to install dial systems; that it would bring about rate increases of as much as 100 percent; that it would cause curtailment of service because the companies would have to

cut down service to 8 hours a day instead of 24, and would bankrupt many smaller companies. As it stands today all independent telephone companies with 500 or less phones are already exempt from the Fair Labor Standards Act. The independent company's vice president wanted that exemption raised to all companies with 1,000 phones or less.

And all this because the wage increases would add so much to their operating costs.

But the actual facts of the situation are quite otherwise, according to the Federal Communications Commission's evidence. Basing their figures on the reports submitted by these independent telephone companies themselves to the FCC, the Commission showed that the independent telephone companies with more than 500 and less than 1,000 phones—and there are 43 such companies in the United States today—would be able to pay 65 cents an hour minimum to all employees and still make a clear profit of \$800,000 more in 1946 than they made in 1944, which was one of the best years on record for them.

That may sound ridiculous to you, Mr. President, and I suppose it sounded so to some of the Senators who read the facts in the FCC report. But it is not ridiculous. It is all due to the little fact that in 1946 Federal income taxes on these independent telephone companies are going to be nearly \$2,000,000 a year less than they were in 1944. That is what the elimination of the excess-profits tax is going to do for them. It seems to me, therefore, that it is only decent and just that these companies, which pay less than 65 cents an hour to more than 70 percent of their workers, should bring up their wage levels to the minimum proposed in Senate bill 1349. Obviously they can afford to do so today, and still make more money than they made during their best previous years.

Wages paid by these independent telephone companies are among the lowest in the Nation. Another extremely low-paying industry is tobacco manufacturing—an industry dominated by some of the richest and highest-profit companies in our economy. Chester Bowles gave some extremely interesting figures on its wage structure and its profits at the hearings on S. 1349.

According to his testimony, the tobacco industry pays 58 percent of its workers less than 65 cents an hour. That is a higher percentage of substandard wage payments than in any other manufacturing industry. To raise all wages to 65 cents would cost the industry \$14,000,000 a year. \$14,000,000 is 11 percent of the industry's wage bill; and it may seem like a lot of money. But, Mr. President, do you know what the tobacco industry's profits were in 1944? They amounted to \$154,000,000. Subtracting the whole \$11,000,000 from that figure, would still leave the profits of the tobacco industry 22 percent higher than they were before the war. But let us assume that the manufacturers refuse to play along with that, and demand a price increase. Even though cigarettes comprise only a little more than half of the total tobacco busi-

ness, let us assume that the whole increase in the wage bill is to be paid for by an increase in the price of cigarettes. How much would the increase have to be? About one-tenth of a cent a pack, or a cent a carton. As Chester Bowles put it:

I think we would find that wholesale and retail margins are wide enough so that even in this event consumers would see no difference in the retail stores.

In other words, industry can easily afford to pay a 65-cent minimum wage and so can the nonindustrial businesses in distribution, transportation, communications, sales, and so on, that are covered by the Fair Labor Standards Act. They can pay it out of profits even with the 1945 tax structure; they can pay it twice as easily now that the excess-profits taxes are eliminated.

Mr. President, let me make one more thing clear. Under no circumstances should any business or industry be permitted to exist in America, and to make profits on American workers, if such profits are earned as a result of underpaying their workers. Such businesses are immoral and unprogressive, and for the good of the Nation they must be eliminated if they cannot continue in business and at the same time pay adequate wages.

This is particularly true in view of what has happened to prices during the past 5 years. Back in 1938, when the 40-cent minimum provided in the Fair Labor Standards Act of 1937 originally went into effect, many big-business operators thought that a human being could live on \$16 a week and get by. Prices were down; the cost of living was fairly low compared to the cost today; and although a person living on \$16 a week certainly could not afford decent medical care, decent living quarters, decent food, and decent clothing, according to our American standards of decency, he could at least manage to exist without starving. Whether a family of two or three or four or five could do so or not is something else again; the fact of the matter is that before the bill went into effect many such families were managing to exist on less than \$16 a week. How, I do not know.

In other words, even in 1938 a 40-cent minimum was not only minimum, it was definitely substandard, considered in terms of what we think of as the American standard of living. Yet many millions of industrial, commercial, professional, Government, and agricultural workers were existing at or below that income level.

What is the situation today? Since 1938 the prices paid by most families in the low- and moderate-income brackets for the essentials of life—food, clothing, and so on—have increased 30 percent by the most conservative estimates. So that people who were living on substandard wages and in substandard conditions 7 years ago are having to live in conditions which are at least 30 percent more substandard now than then. In my vocabulary such substandards might just as well be called starvation standards of living, for that is what eventually happens to people who have to live on such incomes—malnutrition to start,

and the diseases and defects of outright starvation soon thereafter.

And these are the people to whom industry and business cannot afford to pay \$26 a week. These are the Americans whose needs for at least an emergency standard of subsistence are going to bankrupt American business and industry—the largest and the strongest and the wealthiest aggregation of producing and distributing capital in the universe. I cannot agree with such a contention. No one can tell me that American initiative, American enterprise, American inventiveness, American efficiency can exist only by paying American workers starvation wages. As a matter of cold, objective fact, the contrary is true. It is only by paying high wages that business and industry can be truly profitable and can provide a truly prosperous economy for the Nation and the world as a whole. Until they pay their workers enough so that they no longer can be called what Chester Bowles called them—undeveloped markets—until then, America's prosperity hangs by a thread.

I digress for a moment from the thread of my remarks to say that a great deal of the testimony before the Committee on Banking and Currency urging the approval of the British loan followed the argument that we had to lend money abroad so that those in other countries could buy our surplus goods; in other words, that we can produce plenty in America, but cannot pay the workers enough to enable them to buy what they produce, so that we have to give some other country the money with which to buy our goods.

Mr. President, I intend to vote for the British loan, and one of the reasons is that I foresee our private enterprise system breaking down in less than 5 years, because our production and our purchasing power are not in balance. I do not know how it will be possible to make them balance. Industry will not produce without a certain margin of profit. If the margin is too great, then the people do not have enough money with which to buy the goods, so there is a surplus, and any time there is a surplus the factories are closed, and when the factories are closed, the workers are out of employment, and the economy comes to a standstill.

So I believe in high wages. I shall, as I have said, vote for the British loan for several reasons, among them that we must subsidize other countries so they can buy our goods because we do not have enough money ourselves with which to buy them. But I shall vote for the minimum wage bill in an effort to enable our people to buy a larger share of what they produce.

Until every American is able to buy and consume the products of American industry and thus assure full production and full employment throughout our economy, we will constantly be faced by the fearful specter of mass unemployment, depressions, crises, and permanent economic chaos.

The amendments to the Fair Labor Standards Act embodied in S. 1349 provide the first essential step we must take if we are to give all Americans an American standard of living. As the

Washington Post said in an editorial published in the issue of November 7, 1945:

An economy must be judged not by what it produces for its most fortunate members but by the kind of life it affords for the least of those who share it. We can reasonably claim again a high standard of living for America only when all Americans have within their grasp the necessities of life and at least the elementary comforts.

That statement puts the problem as clearly as it can be put. Every worker in interstate commerce should receive sufficient money to enable himself and his family to buy the necessities of life and at least the elementary comforts. That is what S. 1349 proposes to make possible. The many millions of other workers not in interstate commerce, whose wages are still less than 40 cents an hour, not to mention less than 65 cents, will have to rely on the slower processes of competition for labor between interstate and intra-state business, and the long, difficult road of organization and collective bargaining among the small businesses and industries of the States.

It is up to Congress, Mr. President, to lead the way, to show the people of America that it means what it says when it resolves for full employment or when its Members talk big about the American standard of living. It is up to Congress, fair and square, to provide the legislative essentials for a prosperous America. It is up to Congress to ignore the anguished cries of the profit-seeking few who would rather have wealth themselves than let the wealth be fairly distributed among the millions of those who are in need. It is our duty and our privilege to strengthen the national economy from foundation to rooftop by buttressing it with economic justice for all.

Mr. GREEN. Mr. President, at the time the 65-cent-an-hour minimum wage was originally proposed, prior to the termination of hostilities, it would have required increased wages for about 4,000,000 American workers in all classes of industry covered by the present law. Fortunately, however, our economy has not remained static during this period and while the Congress has deliberated, manufacturers and other employers have taken action and one by one the arguments against a 65-cent minimum have become out of date. In fact, the trend toward higher wages and a minimum of at least 65 cents has reached such proportions that the bill we are now considering has become for all practical purposes a matter of putting into law what has already been accomplished in fact.

The arguments against the 65-cent minimum wage have now become extremely academic and out of date. The minority members of the committee speak of raising the minimum to 55 cents as an advance of 37.5 percent and of raising the minimum to 60 cents as a 50-percent increase. This method of figuring ignores the actual level of wages. The minority has ignored hundreds of pages of testimony presented to the subcommittee on this bill. The record shows plainly that the 55-cent minimum has long been out of date. The fact is

that we have been slow in bringing the statutory minimum in line with the actual minimum wage. Our past delays in legislating a higher minimum is no excuse for again falling behind the trend of events. No more grievous error can be made in legislation that to be completely out of date. A 55-cent or 60-cent minimum now would be as obsolete as the 40-cent minimum was 2 years ago. If we are to modernize our wage legislation, we must immediately bring the legal rates for all employees into line with the minimum wage which is enjoyed by most.

Recent wage trends in American industry have completely altered the old wage patterns. Since last August, numerous increases have taken place which by now have affected some 9,000,000 workers and this number is steadily increasing, as everyone who glances at the newspapers knows. Moreover, each of the new wage settlements has raised the minimum in the various industries concerned. We know the minimum wage in the heavy goods industries is far above that which is now proposed. For example, the minimum wage in the iron and steel industry generally is 96.5 cents per hour; at the Ford Motor Co., \$1.13 per hour; at the Aluminum Co., 96 cents; and comparable rates have been or are being negotiated throughout all the heavy industries which employ a large proportion of our working population.

This condition prevails, however, not only among the heavy-goods industries but also among the various consumer-goods industries throughout the United States. I can illustrate this situation best by referring to the bell wether of the substandard wage industries—the cotton textile industry. This industry has become the gage of the ability of the low-wage industries in general to pay better rates of pay. The textile industry traditionally has been a low wage payer. It was the industry for which the No. 1 NRA code was signed. Its wage standard set the level for the rest of American low-wage industries during the NRA. This industry also was the first one considered by industry committees under the Fair Labor Standards Act of 1938. This industry also proved time and again to be the measure for the determination of substandard wages under the War Labor Board. By every test, therefore, the levels prevailing in the cotton textile industry provide the best clue to the determination of going wage levels in the low-wage industries because its minimum wage has usually set the pattern for other low-wage industries.

In this connection I think it is extremely important for my colleagues in the Senate to realize that a 65-cent minimum wage has become the prevailing minimum wage in cotton textile mills throughout the entire country—North, South, East and West. There is no longer distinction in the minimum wage levels between cotton mills in one section of the country and another. In fact there have not been any such distinctions under the wage-and-hour law from 1939 to date. The gap between the northern and southern wages has not been at the minimum wage level. With the same legal



minimum, they have paid different jobs different rates of pay above the minimum for conditions peculiar to the individual mills and areas. The industry itself has, in recent years, recognized the unwisdom of different minima.

The industry, in the person of the Cotton Textile Institute, has endorsed at all public hearings before the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor a single minimum applying to all divisions of the industry wherever located. It has recognized that the machinery is similar in all parts of the country and, in fact, many of the most modern plants are located in the southern States, and that there is little disparity in productivity between northern and southern cotton mill workers or between workers in New England, the Carolinas, or the Pacific Coast. Under good management and favorable conditions, they attain the same high levels of productivity. There is greater disparity in productivity among the individual cotton mills in a single area than there is among the averages for mills located in different regions. This has been found true with respect to the efficiency of management as well as the efficiency of workers.

State development commissions and others interested in attracting new industries speak proudly in their promotion campaigns of the workers in their respective States—North and South—and extol their workmanship, capabilities, loyalties and diligence. This conclusion is amply documented by the evidence of one of the economists who testified before the subcommittee of the Senate Committee on Education and Labor in his studies of productivity. It is also proven by the fact that many companies in the automobile, oil, aircraft and other industries, pay exactly the same rates of pay in the South as they do in the North.

There is no longer any reason to believe that lower wages will tend to attract more industry to the section paying low wages. On the contrary, we have learned that the areas with the greatest buying power derived from high wages, are the ones which attract new industries. During recent years new industries have come to those areas within the South which have the highest wage levels and which have the highest consumer spending power.

The attainment of the 65-cent minimum wage in the cotton textile industry was recently achieved in most plants throughout the entire country. In the North, all textile mills, and in the Carolinas and recently throughout the rest of the South, a substantial number of the plants are already paying this minimum. Moreover, the number of mills—both union and nonunion—falling into line is growing daily. Nevertheless, we need a 65-cent minimum for the cotton textile and other low wage industries in order to bring the laggard companies into line. These companies employ only about 10 percent of the workers. They should not be permitted to undermine the standard of living established by the industry as a whole.

The largest gains under this bill will accrue to be unorganized and unpro-

tested workers, many of whom support large families and have the same responsibilities as the organized workers. In the unionized plants, the 65-cent minimum has been almost universally adopted. We cannot sit idly by and permit the unorganized workers and their families, including many veterans, to remain defenseless when we have the power to protect them and to assure them at least the going minimum wage prevailing in American industry.

Since 1938, when the national Fair Labor Standards Act was passed, fundamental changes have occurred in our economy and national income has gone up 150 percent. While the 40-cent goal established then by the Congress seems modest in retrospect, it actually represented a much greater forward step than the 65-cent rate we are considering today. Moreover, whereas Congress led the way in 1938, manufacturers and trade unions are leading the way now in 1946.

I also want to emphasize the fact that a 65-cent minimum will not represent a generous gift from the American Congress to the low-paid workers. It is one necessary step to protect our national economy. Soon after VJ-day, it became apparent that our veterans and war workers were not going back to their old jobs in textile, lumber, and other low-paying industries at 50 or 55 cents an hour and, production in these industries instead of attaining the much hoped for increase, actually continued to decline. The cotton-textile industry recognized that low wages in the industry were the greatest single barrier to increased textile production and the majority of the producers in the industry have already taken steps to rectify this situation. The cotton-textile mills have discovered that they can recruit adequate labor forces with a 65-cent minimum, and generally where this rate has been adopted, employment has increased. As a result of recruiting this additional labor, the turning point in textiles has been reached and from the low point of October and November 1945, when we were producing cotton textiles at a rate of some 8,600,000 yards a year, production has risen to a current rate of 9,400,000 yards, a remarkable showing for such a short period of time. Veterans are now going back to the textile mills. With rates at the higher figure, these men are now enlisting to produce much needed cotton goods.

Let me make one more point in reply to the minority report. Contrary to its assumption that most workers receiving low wages are young single workers without dependents, scientific surveys have shown that the majority of workers at minimum rate jobs have family responsibilities. Moreover, in many instances, workers at the lower-rated jobs support larger than average families. We must, therefore, take account of these realities in establishing an appropriate minimum-wage level.

In conclusion, I should like to emphasize that the pending bill will not raise as large a proportion of workers in manufacturing industries as did the Fair Labor Standards Act of 1938. By confirming in law the minimum wage which free collective bargaining has already established in

many low-wage industries, the pending bill will protect the unorganized worker and the fair employer and thereby protect our national economy as a whole. I therefore urge my colleagues in the Senate to support the 65-cent minimum wage provided in this bill as a moderate step in the right direction.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

#### SECOND URGENT DEFICIENCY APPROPRIATIONS ACT, 1946—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, and 7; and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

#### "LOANS, GRANTS, AND RURAL REHABILITATION

"For funds in addition to funds authorized under this head in the Department of Agriculture Appropriation Act, 1946, and for the same objects and subject to the same conditions, the limitation of \$57,500,000 in the authorization and direction to the Reconstruction Finance Corporation to make advances, contained under this head in said Act, is hereby increased to \$82,500,000."

And the Senate agree to the same.

KENNETH MCKELLAR,  
CARL HAYDEN,  
RICHARD B. RUSSELL,  
STYLES BRIDGES,  
CHAN GURNEY,

Managers on the Part of the Senate.

CLARENCE CANNON,  
LOUIS LUDLOW,  
EMMET O'NEAL,  
LOUIS C. RABAUT,  
JED JOHNSON,  
JOHN TABER,  
R. B. WIGGLESWORTH,  
EVERETT M. DIRKSEN,

Managers on the Part of the House.

The report was agreed to.

#### AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. MORSE obtained the floor.

Mr. WHITE. Mr. President, will the Senator from Oregon yield to me for

the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Oregon yield to the Senator from Maine for the purpose of suggesting the absence of a quorum?

Mr. MORSE. I wonder if the minority leader will withhold his suggestion for a comment?

Mr. WHITE. Certainly.

Mr. MORSE. I appreciate the courtesy implied in the desire of the Senator from Maine to suggest the absence of a quorum; but in view of the fact that I understand that no vote on any phase of the bill now pending before the Senate will be taken this week, I should prefer not to have a quorum call for the purpose of bringing Senators into the Chamber to hear any remarks which I may make. Members of the Senate will have ample opportunity, if they wish to do so, to read my remarks in the RECORD. No doubt many of them are attending important committee meetings this afternoon, or have other important business to transact. Therefore I would rather not have them disturbed in order to hear my remarks.

Mr. WHITE. Mr. President, I withdraw my suggestion of the absence of a quorum.

Mr. MORSE. Mr. President, I wish to speak briefly this afternoon on certain aspects of the pending minimum wage bill. At a later time in the debate I hope to speak at greater length, because it will be my endeavor to answer some of the arguments which the opponents of the bill will make, after they have put in their case in chief, so to speak. However, I believe that there is certain foundation material which ought to be made a part of the RECORD at this time for the consideration of the Senate and of the country.

By way of introduction, Mr. President, I should like to say that last Sunday I heard what I consider to be a great sermon. It was delivered by Rev. Alfred W. Hurst, in the Cleveland Park Congregational Church in this city. The topic of the sermon was, "Give us this day our daily bread." It was a very interesting analysis of that part of the Lord's Prayer—"Give us this day our daily bread." It discussed the economic aspects of Christianity. The sermon stressed the relation of economic justice to Christian living.

It seems to me that in American politics too frequently there is much reference to great Christian principles and not enough practice of those principles. Businessmen as well as politicians are too frequently willing to profit from religious forms and associations but keep in watertight compartments their economic practices separated from their professed religious convictions. That remark is probably also apropos to us as a Nation and as a people. Too many in all walks of life live their Christianity on Sunday and then do business as usual the other 6 days of the week. There are millions of underpaid Americans who are most deserving of a greater practice of some of the fundamental principles of Christianity applied to the economic life of this Nation. There are millions who

believe that our system of free enterprise can be reconciled in practice with the concepts of the Lord's Prayer and the other principles of Christianity. They are crying out to a free-enterprise system in this country today "Give us our daily bread"—not for nothing, but in payment for service rendered. When we consider the low-paid workers of America, I think, if we are to be honest and true to our own principles, we must recognize that large segments of the American economy do not live up to the Christian concept "Give us this day our daily bread"—for service rendered.

Let us not mince words. The establishment in this country of decent minimum social and economic standards must be made a political issue in the decade ahead if we are to promote the greatest good for the greatest number of our people. So I would say to the two great political parties of America that the voters have a right to know, and I believe they will exercise the vigilance to take note, where the politicians in the Congress of the United States stand on the great piece of social legislation which is now pending before the Senate.

I read in the newspapers—and all I know about it is what I read in the newspapers—that there is a feeling among some leaders in the Senate that because of the opposition in certain quarters to the legislation now pending, perhaps this bill should be put aside for now. I understand that it has been suggested that possibly we should not take action on it until the beginning of the next session of Congress. I wish to register today my protest against any such strategy, even if it is in the budding. I believe that we have before us a bill which is vital to the welfare of the free-enterprise system of this country. A measure on which the Members of this body should be required to vote before the elections next fall. The people of the United States have the right to know where Members of Congress stand on minimum wage standards. So I shall do all within my individual power to secure a vote on this bill before the voters vote in the first elections a few weeks hence. Let us see whether a majority of this body wants to vote for legislation which will come somewhere near giving to the millions of underpaid workers their daily bread, in accordance with the conception of Christianity which the Master Himself set forth in the prayer which He taught us to say.

Let me say one further word with a political connotation, Mr. President, to my party. I happen to be one who believes that liberalism and reactionism can be defined only in terms of specific issues. But give him a set of specific issues and the voter will not err in determining who is the liberal and who is the reactionary, as adjudged by their votes in the Senate on such issues. According to my sights and beliefs, the bill which now proposes to establish a 65-cent minimum wage is one test of liberalism in American politics, and I want to see the members of my party here in the Senate stand up and be counted on it.

When the Fair Labor Standards Act was passed in 1938 Congress took a great

step forward toward assuring a minimum decent American standard of living for all our people. It was a very important step toward reducing the black shadows of industrial life—the sweatshops, the slums, the squalor and misery of entire families condemned to eke out an existence in poverty and want. The step of first establishing a 25-cent minimum and later working toward a 40-cent rate now seems far in the distant past; but in terms of dates it was not long ago. Back in 1938 it marked very real progress and seemed as great a step as could be taken at that time, since the average wages in whole establishments in some industries were substantially below the 25-cent minimum which later became the law. Just think of that, Mr. President—that as recently as 1938 there were in this country great establishments of industry in which the average wage was below 25 cents an hour. Yet we talk about the "American way" and the great virtues of the American economic system. It has great virtues, but they have not been tapped yet, Mr. President, in comparison with their potentialities. No adequate defense could be made of a 25-cent minimum wage.

Finally this Government, and rightly so—and I digress for a moment, Mr. President, to press this point upon the consideration of this body—finally this Government, through its elected representatives, established the fair minimum wage law, starting at 25 cents an hour in 1938. The question is frequently raised, What is the Government's interest in wages? Why should a government set itself up to tell to American employers what minimum wages they should pay? Mr. President, in my judgment, it goes to a very basic concept of democratic government. As I see it—and this is basic in my political philosophy—it is the duty and obligation of a representative government to see to it that minimum economic and social standards are established and maintained so as to protect the economic weak from the economic strong. I think that under our form of government that is an obligation of government—not to go above what sound judgments can agree are minimum standards, but to fix minimum social and economic standards which will protect the economic weak from the economic strong.

Why do I think that is an essential obligation of government? I think it is because, fortunately, in this country we have not only a political democracy but a capitalistic economy. I think one is dependent upon the other; I think it is impossible to have one without having both; because, as I have said heretofore on the floor of the Senate, if we do not have political democracy we cannot have a capitalistic economy, and if we do not have a capitalistic economy we cannot have political democracy. If we do not have both of those concepts hitched together, the type of economy we will have is an economic statism. Under that form of economy, of course, the Government does not become the servant of the people, but its master; and that is true whether it takes a trend toward fascism or communism. Hence, as a liberal in relation to issues such as the one before



us, I say we must maintain our capitalistic system based upon the profit motive, but we must recognize that, of course, the Government has the direct responsibility, in relation to that economy, of seeing to it that potential abuses of it do not permit of the exploitation of the economic weak by the economic strong. Under a competitive economy, that trend, as history has shown over and over again, always occurs in an unchecked capitalistic economy which lives, of course, upon the profit motive and which is motivated by competitive factors and forces.

Therefore, it is the duty of our Government to prevent the treatment of workers as simply a commodity within the capitalistic order, as was the case in the early history of our economy, and when the doctrine of laissez-faire predominated in the United States. We have to go back only 25 or 30 years to find prevailing the conditions whereof I speak, when not only 12 hours of labor a day but in some instances more than 12 hours a day were required of workers. When Members of this body pleaded, not so many years ago, for an 8-hour day, all the typical harangues were applied against that, too; namely, that they were impossible hours, and that the proposal was socialistic. Those were the arguments which were made in those days. But those great liberal leaders recognized in principle the doctrine for which I raise my voice in plea today, namely, that the very existence of the capitalistic system itself depends upon the assumption by democratic government of the obligation of protecting the economic weak from the economic strong by establishing minimum standards which will prohibit and prevent the exploitation of workers in low-paid positions.

As a friend of the American businessman, I say now, as I have said to many of them in conventions assembled, that if we left entirely to the American businessman the right and power and privilege of hiring and firing as he chose, and of paying such wages as he elected to pay, the inevitable result would be the exploitation of human beings. That is why I say, Mr. President, that there rests on a democratic government the obligation of protecting the general welfare of the people as a whole; and, as Lincoln pointed out, our type of free government has the obligation of seeing to it that the greatest good for the greatest number is promoted by government. In my judgment, Mr. President, the survival of democratic government is dependent upon its service to all the people in the interest of the general welfare of all the people rather than to provide a privileged economic few with the license to exploit the many.

My point of view in regard to this type of legislation is equally applicable to other types of social legislation; and stemming from the same basic political philosophy came my opposition to those who do not believe, for example, Mr. President, that we should set up in this country an FEPC. There, too, I feel that there is the obligation of government to maintain minimum standards of protection for the more unfortunate in our Nation.

So, with that as a basic political premise, I make a plea this afternoon for the establishment of a 65-cent minimum wage because, in my judgment, we cannot adequately protect the economic weak from the economic strong with a minimum fixed at a lower point.

I venture to assert, Mr. President, that no one who supported the Fair Labor Standards Act when it was enacted in 1938 believed that the 40-cent-an-hour minimum represented the ultimate goal, or that it would provide even a minimum standard of living for an American family except in rare instances. On the contrary, voices were raised in both the House of Representatives and in the Senate to express the view that the minima contemplated in the act were only beginnings. The debates of the Senate show that fact beyond a question of doubt.

Now that our economy has grown larger, our productivity is higher, and our output per man-hour is expected in the immediate future to be from one-third to one-half greater than it was before the war, I am surprised that there are some among us who profess that we should raise the legal minimum wage merely to the point of restoring the real wage which 40 cents an hour would have provided in 1938. I am surprised that there are those among us who think that we are not now ready to make a progressive step forward beyond the equivalent of a real wage increase from 1938 to 1946. With the great potential of our economy, Mr. President, I say that now is the time for us to take another step forward beyond the real minimum wage level of 1938 to a higher real wage level of 1946. Those who propose the 55-cent-an-hour minimum simply say to the people of the United States, "We believe that the conditions of 1938, so far as minimum wages are concerned, should be the criterion of action today."

Mr. President, ours is a dynamic society. If it is to grow and strengthen, it cannot stand still. We must move ever forward to an ever higher standard of living for all our people. I say that such a road will not lead to the destruction of the free enterprise system of this country but, on the contrary, it will lead to its perpetuation. Only those disciples of despair who believe that we should not progress at this time, who believe that we should keep the minimum wage at its real wage level compared with the 40-cent-an-hour wage level of 1938, are the ones who, in my judgment, do not have an abiding confidence in the free enterprise system which some of us who call ourselves liberals on specific issues, such as this bill do have in our economic system.

Mr. President, I may say by way of digression that after all the free enterprise system does not mean or should not be allowed to mean a freedom on the part of the American employer to pay such wages in the minimum brackets as he desires without any Government control being exercised. Such freedom represents a type of license which is sought by certain shortsighted persons in American business. It is a sort of a license for exploitation of labor which is against the best economic interests of businessmen themselves.

The growth in our economy since 1938 has been so amazing that many still do not realize its full implication. When prices are adjusted to the prewar base, it will be seen that in 1944 and in 1945 the country produced virtually twice as much as in 1938, in spite of the fact that 12,000,000 of our most productive workers—those in the armed forces—had been withdrawn from our farms and from our factories.

In other words, with the return of those 12,000,000 men, and with the restoration of normal civilian production, we now have the opportunity to take further steps toward freedom from want which was one of our wartime goals. Freedom from want, Mr. President, must be attained in this country if the economic system which I seek to defend is to survive.

Our national income, with the tools and skills at hand, is amply adequate to warrant taking the further steps which are contemplated in the measure now before the Senate of the United States.

I have been surprised by those who regard wartime expediencies of the National War Labor Board as representing the top standard which we can now achieve. The National War Labor Board, in general, permitted increases in wages of four types, namely, a 15 percent cost-of-living increase under the so-called Little Steel formula, adjustments to correct interplant and intraplant inequities, increases to aid in the prosecution of the war, and finally, increases to correct substandards of living. The Board was never able to correct substandards as much as it desired to do so, but kept constantly in mind that objective, and during the war it permitted increases to 55 cents an hour in wage-agreement cases without Board approval.

I hope once again, as I hoped and attempted to do in the committee, to clarify a persistent misunderstanding which exists among Members of this body—evidenced by their statement as to the meaning of the order of the War Labor Board which permitted the payment of a wage of 55 cents an hour without the requirement of Board approval. In my attempt to clear up the misunderstanding, Mr. President, I should like to read into the Record the Board's release of August 30, 1945, bearing upon this point. This order was finally issued after the Board had established for a long time the practice of granting pro forma such wage increases:

Section 803-30, General Order No. 30. Increases in wage or salary rates which do not bring such rates above 55 cents per hour may be made without the approval of the National War Labor Board, although the increase will be used in whole or in part as the basis for seeking an increase in price ceilings or for resisting otherwise justifiable reductions in price ceilings, or in the case of products or services being furnished under contract with a Federal procurement agency, will increase the cost to the United States.

FRED E. DESMOND,  
Acting Executive Director.

That order was issued, Mr. President, in accordance with a well-established practice which prevailed when I was one of the voting members of the Board. I ask Senators to take note of the contents

of the order. There is not a word in it about substandard wages. There is not a word in it to the effect that the increase could be made to 55 cents an hour because the board believed that 55 cents an hour set the limit of a substandard wage. As I have already told the Senate committee, the records of the Board can speak for themselves. But I assert to you, Mr. President, that when this particular procedural order was before the Board for a vote, it was not adopted on the basis of any proposition that 55 cents an hour would set a fair minimum wage. Quite the contrary. Members of the Board—the public members of the Board, at least; and I do not think I need to argue at any great length that they were the controlling members of the Board—did not believe that 55 cents an hour would fix a decent minimum wage. While I was still on the Board we allowed increases up to 55 cents per hour as a permissive procedure but not on the basis that we believed 55 cents set a fair minimum wage. If the issue of fixing a minimum wage had been before the Board when I was a member and the same view prevailed throughout the life of the Board, I say, Mr. President, with the certainty of the correctness of my statement, the figure would have been considerably higher than 55 cents.

Why, then, was this procedural rule issued? Why did the same practice prevail before the rule was issued? To understand it one must understand, first, the powers of the War Labor Board, and, second, the procedural rules which confronted it at the time when the order was issued.

Our jurisdiction over wages was limited to so-called wage dispute cases and to so-called Form 10 cases. The Form 10 cases were those concerning which parties, unions or workers and employers, reached an agreement through collective bargaining as to what wages they would like to have approved by the War Labor Board. By the time this particular procedural rule was enunciated by the Board, the President of the United States, and Congress through legislation, had given to the Board jurisdiction and authority and the duty to pass judgment upon all proposed wage increases in this country, save and except certain powers that were given to other agencies of the Government, such as the Agricultural Department over agricultural wages. However, that department, too, was bound by the same stabilization principles that were applicable to the War Labor Board.

Long before the time this rule was published, the Board was confronted with a backlog of many thousand cases, and much criticism was being heaped upon the Board because, work as hard as we could and as long hours as we could withstand, we could not make much of a dent in that backlog of Form 10 cases. We had regionalized. We had many regional boards throughout the United States and they, too, were working at top speed, but they could not procedurally dispose of those cases. So we had to find some short cuts. We had a great many Form 10's before us, a large number of them, interestingly enough, Mr. President, coming from the Southern States, the textile, lumber, and various other indus-

tries in the South which had historically paid very low wages. Hence long before the rule was published we allowed increases up to 55 cents per forma without Board consideration purely as a procedural device to break the log jam in Form 10 cases. These cases rested upon agreement between the parties. The employers were asking for blanket approval. They wanted made available a procedure whereby they could obtain quick and blanket approval for some wage increases.

An analysis was made of the pending Form 10's before us. Some of the Form 10's called for increases to 42 cents, some to 45, some to 50, some to 55, and some above the 55-cent level. It was very interesting when the statisticians in the wage stabilization office came before us with their report. We recognized that a successful solution of this procedural log jam would determine, in large measure, the confidence of the American public in the Board.

When the statisticians came before us they pointed out that there was a great cluster of Form 10's from the 40 to the 55-cent level. There were many above the 55-cent level, but one could not look at the figures they presented to us without recognizing that if we allowed per forma the increases up to 55 cents we would break the log jam. We did that in practice and later after I left the Board it did it by rule.

So the Board by this procedure—and, as I have said, there was not a word about substandard wages in it, but it was only a procedural matter—gave permission to employers and workers to enter into agreements for increases up to 55 cents an hour without any approval from the War Labor Board at all.

Mr. President, that is the history of this permissive order. I say again, as the Presiding Officer has heard me say in committee, without any fear of successful contradiction, when the War Labor Board adopted that practice and issued that order it did not issue it on the basis of establishing a minimum wage for the war period. If that issue had been before the Board, then I say the figure would have been above the 55-cent level.

Mr. President, I hope what I have said will dispose of the argument in that regard. If not, I shall rise again and emphasize it over and over again, because I think that those who use the argument that the War Labor Board fixed a minimum wage of 55 cents are guilty of unintentionally misleading public opinion.

Let me say, in further digression, that it is interesting to note that the present Wage Stabilization Board, the successor to the War Labor Board, has just recently, I am reliably informed, issued a similar permissive order, not a minimum wage order, but a similar permissive order, which now says to American employers and American workers, "You can agree on 65 cents without having to come before this Board." Let me repeat that for the benefit of those who persist in making the argument that the War Labor Board has established a 55-cent minimum wage. I repeat, Mr. President, the present Wage Stabilization Board, the successor of the War Labor Board, procedurally—not substantively, but proce-

durally—has agreed that American employers and American workers can agree in a labor contract upon a 65-cent wage without Board approval.

Mr. President, that it is not a minimum wage, either. That order has not been issued by the Wage Stabilization Board as a minimum wage order, but merely as a recognition of the fact that procedurally this Board, as in the case of the old War Labor Board, needs some procedural relief if it is to perform its duty of disposing of the various requests for wage increases.

My attention has just been called to the fact that the industry representative of the Atlanta, Ga., Wage Stabilization Board has recommended a minimum wage of 65 cents for southern industry. Next week, in my second major speech on the pending bill, Mr. President, after some of the opponents have had an opportunity, to which I think they are entitled at an early hour, to present their opposition to the bill, I hope to discuss at some little length the problem of the wages in southern industries, and the relation of that problem to the economic health of our body politic as a Nation.

So I say, Mr. President, the War Labor Board was never able to correct substandards to the extent it desired, but kept constantly in mind that objective, and at the end of the war permitted increases to 55 cents an hour, by way of the permissive order which I have already explained. That level was reached by a series of steps. In February 1943 the War Labor Board announced that wages could be increased to 40 cents without Board approval, if no price increase were involved. By May 1945 the Board permitted wage increases up to 50 cents, procedurally, without Board approval, even if price increases were required, and to 55 cents if the wage increases did not affect prices. In August the Board permitted increases to 55 cents even though prices were affected, and no longer required approval if prices were not at issue. In other words, in a period of about 2½ years the Board progressively advanced from 40 to 55 cents, a tempo approximately comparable to that contemplated in the pending measure, and made that advance without ever passing upon the question of what would constitute a substandard wage, but made clear in decision after decision that 55 cents was not the minimum limit which the Board felt should be the minimum wage prevailing in this country.

We on the War Labor Board were continuously conscious that approximately half of the productive capacity of the country was drawn into supplying our Army, Navy, and Air Corps and into helping furnish the tools of victory to our armed forces and those of our allies. We were well aware that about 12,000,000 of the most productive men and women had been taken out of the civilian labor force. Because of the enormous appetite of war for supplies and still more supplies and because of the shorter manpower supply, there continued to develop during the war increasing scarcities of consumer goods. As a result we had to move with caution, since the full labor force was not available for civilian production. Conditions



have changed radically since that time, however. Both VE-day and VJ-day have come and gone. The major part of the armed forces has been demobilized. The major part of the wartime supply requirements of the armed forces has been eliminated. By next summer, the very earliest that this measure can go into effect, there should be a floodtide of civilian products.

We on the War Labor Board never looked on 55 cents as the final goal for a substandard wage policy, although we did feel that the National War Labor Board could not advance much more rapidly than we did. The Board recognized, and so reported to the President, that "the situation of the lower income wage and salary workers, upon whom the increase in the cost of living has fallen with disproportionate severity, has remained unsatisfactory under the wartime economy." However, the Board's capacity to improve the situation of these workers was distinctly limited, since it could act only in two ways: by passing on voluntary wage adjustments, that is, adjustments by agreement, and by deciding wage disputes. The Board could not, for example, issue wage orders requiring employers not before the Board to raise their wages.

That point needs great emphasis. We did not have the jurisdictional power at any time, Mr. President, to require employers to pay a certain wage. We were not a legislative body, although, I may say, that in effect we, like so many other administrative tribunals did legislate. That, I think, is one of the characteristics and one of the weaknesses of administrative tribunals, that need to be watched, for in administering their powers given to them by Congress under very broad and general acts they do in effect legislate. That is why I have said before from this place on the floor and shall say many times in the future that I think as a legislative body we need to encourage some check on what I shall call the quasi-legislative powers of administrative agencies. No doubt many of the decisions of the War Labor Board which this speaker himself wrote were legislative in effect. I would justify them only under the law of national necessity, the application of which is necessary in wartime.

But we did not have the power, Mr. President, to set a substandard wage. We were not given that legislative power. However, in dispute cases we did have the right to grant wage increases, using one of the wage criteria set forth in the President's Executive order creating the Board, and thereafter empowering the Board to take into account substandard wages. Thus in some of our cases in which we gave wage increases—yes, Mr. President, up to 75 cents an hour—we buttressed the justification for many of those increases on the ground that we felt that on the facts and evidence of the particular case a showing was made that an increase of a higher amount than the 55 cents could be justified on a substandard wage basis.

I desire to emphasize the last point again, Mr. President, because it is pretty basic to an understanding of the wage

policies of the Board. We had no legislative power to legislate minimum wage standards. We did have the power to approve wage contracts voluntarily entered into between employers and workers and take into account substandard wage problems as shown by the particular case. We did have the power to grant wage increases in particular disputed cases, applying the substandard wage criteria that the President reserved to us in his Executive order setting up the Board.

I should like to call attention to the situation that prevailed when we had the famous textile cases come before the Board. When the Board finally set the 55-cent wage in the textile cases in the spring of 1945, it actually wanted to go over 55 cents, and although budgetary studies showed the need for a higher rate, it did not do so because the cases affected only 54 companies out of the 1,200 concerns in the textile industry. If the Board had had all the companies before it, if they had all been involved in the cases, instead of only 54, the Board would have gone above 55 cents; but it did not feel that it would be justified in going above the figure that the parties themselves were able to agree upon, when it did not have before it the entire industry. I was not on the Board at that time but I know that the statements I have made about the textile case are correct and the Board records and the decision in the case will support everything I have said about Board policy in this matter.

The Board's power did not reach employers who did not want to raise wages voluntarily or who were not involved in wage disputes pending before the Board. The Board did not want to disturb the competitive relationships in the industry; but, on the basis of the implications of the figures and their findings, the Board felt that they could have gone over 55 cents had the cases affected the entire industry directly, and said so at the time. This feeling finally was reflected in the approval of an increase to 65 cents for a number of New England textile mills in early 1946, based upon a Form 10 agreement; that is, based upon a voluntary agreement. Thus, in a period of about 3 years, the Board advanced wages from 40 cents to 65 cents for certain textile mills, under a substandard wage request on the part of the parties which was approved by the Board.

However, the Board recognized that all carefully prepared budgetary studies showed the need for wages higher than the rates developed under its substandard wage policies at the termination of the war. Further steps in the direction of a more adequate concept of the rate required to eliminate substandards, were taken by the Wage Stabilization Board in its approval on January 17, 1946 of a wage agreement providing for a 65-cent minimum wage in 19 cotton and rayon textile manufacturing plants in New Bedford and Fall River, Mass., on the basis that that rate "in this case is necessary to aid in the correction of substandards of living and is fully justified under the wage stabilization program."

The next development which I believe the Wage Stabilization Board should make immediately, is to permit wage increases up to 65 cents an hour by any employer.

At the time I wrote that sentence, Mr. President, I did not know that the Wage Stabilization Board had under consideration exactly the recommendations I had made in this speech. But yesterday I talked to a member of the Board. I told him my position in regard to this question, and he said, "I am pleased to tell you that we have agreed upon exactly that type of permissive order, identical with the procedure that was involved in the 55-cent permissive order, and it will be publicly announced shortly." So this recommendation of mine, is today, Mr. President, the policy of the Wage Stabilization Board, the successor of the old War Labor Board. However, let no one misunderstand me and believe that I think the 65-cent minimum is a proper minimum wage. I do not believe that it takes much of a mathematician to prove that a 65-cent minimum wage does not permit a free American worker to maintain a standard of living of health and decency.

Surely that ought to be the objective of a democratic government if it is to adequately fulfill the obligation about which I spoke in the beginning of my remarks, namely, the obligation of a free government to see to it that its free people are protected in the enjoyment of decent minimum social and economic standards so that they will not suffer exploitation at the hands of the economically strong.

As a result of the movement of wages during the war under the guidance of the War Labor Board, only a very small proportion—less than 3 percent—of manufacturing wage earners were receiving under 50 cents in the summer of 1945, and less than 9 percent under 55 cents.

After the relaxation of wartime controls immediately after the war, new patterns of wage adjustments developed after August 13, 1945, and the reestablishment of wage stabilization controls on February 14, 1946. Let me cite some of those patterns: 18½ or 19 cents increase for all major automobile companies except, until just recently, General Motors; 18½ cents increase for steel workers; and the 65-cent minimum agreement on the basis of "substandards" in certain textile companies. Since February 14, 1946, the National Wage Stabilization Board has approved a 23½-cent increase for carpenters in Baltimore; a general increase of 16 cents an hour to employees in the meat-packing industry over straight-time hourly wage rates of August 17, 1945, affecting about 131,000 employees; a 19-cent increase over VJ rates for 39,000 employees of the Aluminum Co. of America; and increases up to 18 cents an hour for approximately 275,000 employees in the shipbuilding industry.

Very shortly in my remarks, Mr. President, I wish to discuss the over-all increases during the war period in some of the industries in which the workers are highly organized. I mean that as a significant statement, Mr. President, because I think that among the forgotten

men and women of America are many thousand white-collar workers, who have not as yet enjoyed the benefits of free collective bargaining through representatives of organized labor, but who are organizing at a very rapid rate, because they finally are coming to appreciate the fact that if they are to protect and advance their standard of living they must do it through free collective bargaining and union representation.

It is very interesting to note that the workers for whom I am pleading today, the low-paid workers are for the most part still among the unorganized workers of America. I do not happen to be a business agent for any union, but I certainly will not ignore what American labor history shows, and that is that the standard of living which free workers enjoy in this country today has been obtained in large measure because of the fact that workers have taken advantage of the right under our form of government to organize themselves into bodies to carry on free collective bargaining. I also take note of the fact that in Fascist and Communistic countries, when those horrible regimes have been forced upon the peoples of those countries one of the first things that the tyrants under either communism or fascism have always done is to destroy the right of men and women to organize themselves into unions for collective bargaining purposes. I make that defense of this basic American freedom, Mr. President, also as a critic of certain abuses of organized labor. But I do not intend to be one who believes that because such abuses exist we should seek to weaken and destroy the right of free men and women to organize into unions and bargain collectively.

By and large, the white-collar workers of America, in many sections of the country, are in need of the type of minimum wage for which I plead today.

On the basis of the 55-cent rate, which prevailed in many industries at the close of the war, it seems to me that the proposals in the measure before the Senate are definitely within the over-all pattern of wage adjustments made since VJ-day. Wage increases of 15 or 20 cents an hour would raise the 55-cent rate to 70 or 75 cents an hour. Some of the increases have been on a percentage basis of 15 or 20 percent; and on this basis the adjustment upward from 55 cents would mean about 65 cents. Wages in industries which would have been most affected by the bill pending before the Senate at the time of the hearings have not remained stationary. In all of them—tobacco, lumber, textiles, apparel, and furniture—large proportions of the workers have received increases of several percent since VJ-day. So the additional effect of the bill before the Senate has become indeed very small. For example, in the cotton textile and lumber industries, both in the North and the South, a considerable number of mills have already increased their minimum to 65 cents, partly in anticipation of the speedy enactment of this bill. I am sure that the Senate will be as forward looking as the southern textile manufacturers who have already increased their wages to 65 cents.

Mr. President, I think it is very important, if we are properly to judge this bill, to take note of the relation of wage increases in certain selected industries to the proposed increase provided for in the bill.

As I have previously stated, the minimum-wage provisions of S. 1349 will apply in large measure to unorganized workers who were primarily dependent upon wage increases voluntarily given by their employers during the war, and are so dependent at present, when there is much less pressure upon employers to give increases voluntarily. Consideration of the bill should, in fairness, include a comparison of wage increases obtained by organized workers, through collective bargaining, and the increase which a 65-cent minimum would bring to workers at or near the minimum.

On the basis of published figures which have been adjusted to eliminate various types of premium pay, average straight-time hourly earnings in January 1941 in five major industries, employing between one and one-half and two million workers, ranged from 67 cents in meat packing to nearly a dollar an hour in petroleum refining, automobiles, and rubber tires and tubes. Under War Labor Board directives, based on the Little Steel formula and other wage-stabilization criteria, the workers in these industries received increases during the war which raised their hourly earnings, exclusive of overtime and other premium pay, from 22 to 27 cents above the January 1941 figures. In November 1945, 3 months after the end of the war, straight-time earnings in meat-packing averaged 88 cents an hour, in steel \$1.08, in automobiles \$1.20, in petroleum refining \$1.22, and in rubber tires and tubes \$1.23.

In recent months, workers in these industries have received further increases above the November figures. The current rates in these industries, estimated on the basis of the wage adjustments negotiated through collective bargaining, exceed the January 1941 rates by the following amounts: 27.7 cents in meat-packing; 41.5 cents in steel; 43.5 cents in automobiles; 45.4 cents in rubber, and 46.7 cents in petroleum. Although these increases have not yet been made effective throughout all the plants in these industries, they have been adopted by large companies in each of the industries and I think we can agree that they may be considered representative of wage levels which will soon prevail. These increases are almost twice as great as the proposed 25-cent increase in the minimum wage which, by comparison, appears very moderate.

Mr. President, I am sure that I do not need to tell the Presiding Officer of this body or any Member thereof that statistics, as sometimes handled, can show some very interesting results. To translate the 25-cent increase, from 40 to 65 cents, as some of the opponents of the bill are doing, to a percentage increase, and then, with a scarecrow technique, to attempt to frighten the American people into the belief that such a percentage increase would be destabilizing to a free enterprise economy, seems to me to overlook the fact that neither low-paid

workers nor any other workers can eat percentages. They eat food, bought with cents.

I say, Mr. President, that in view of the present cost-of-living situation which confronts the Nation, when we compare the 25-cent increase proposed for the low-paid workers covered by the pending bill with the number of cents increase which highly organized workers in this country have been able to obtain for themselves through collective bargaining then to talk in terms of a percentage increase is running away from the merits of this bill. To protest this bill on the ground that it allows a large percentage increase over a paltry 40-cent figure is based upon a philosophy of reaction and a desire to keep the poor poor and help the rich become richer.

A comparison of increases in industries where wages have been raised well above the minimum by collective bargaining between the employers and the employees with the proposed increase from 40 to 65 cents does not, however, give the whole picture, Mr. President. Consideration should also be given to the fact that the inadequacy of the 40-cent minimum had already been recognized some time before Senate bill 1349 was introduced, and the effective minimum had been raised above the 40-cent level in a great many areas in the United States. As I have previously pointed out, the War Labor Board originally ruled that wages below 40 cents an hour were substandard. Over a 3-year period that figure was raised and raised, until finally the Board permitted the parties to increase the rate to 65 cents an hour without even obtaining the approval of the Board. The Board figure is significant as an indication of the increased costs of living and the increased level of wages generally.

Compared with the 55-cent wage permissively allowed by the Board in 1945, 65 cents represents an increase of 10 cents an hour; or if we wish to speak in terms of percentage, although I do not think that is at all helpful in connection with the problem before us, it represents an increase of 18 percent. In the five industries for which current increases have been computed, the increase in average straight-time hourly earnings since November 1945—not January 1, 1941, but November 1945—is 16 cents in meat packing, 18½ cents in steel, automobiles, and rubber, and 22 cents in petroleum. These adjustments represent increases of from 15 to 18 percent. In other words, the proposed increase in the minimum above the War Labor Board's 55 cents is, in actual value, only from one-half to two-thirds as great as the average increases recently effective in industries paying wages well above the 55-cent level; and it is proportionately about equal to these increases. The fact that these increases have been granted as a result of collective bargaining, in industries in which the employees are well organized into strong unions, emphasizes the necessity for assuring comparable treatment for employees who, being lower in the economic level, are economically weaker and stand in need of greater governmental protection. Moreover, the agreements which



provided for these wage increases typically also provide for other advantages to the employees, such, for example, as great improvement in working conditions. Such advantages are not provided for in the pending bill, and let me say that they should not be provided for in this bill. Nevertheless, they are of great value to the workers concerned. I refer to such advantages or privileges as pension funds, more liberal vacations, and the like, which are in addition to the wage increases provided by the collective-bargaining agreement.

*Comparison of average straight-time hourly earnings in selected industries January 1941, November 1945, and current*

	Meat packing	Steel	Auto- mobiles	Rubber tires and tubes	Petro- leum
Average straight-time earnings (cents per hour): <sup>1</sup>					
January 1941.....	66.6	85.2	95.0	96.0	97.0
November 1945.....	88.3	108.2	120.0	122.9	121.8
Current (estimate).....	104.3	126.7	138.5	141.4	143.7
Increase:					
January 1941 to November 1945:					
Cents per hour.....	21.7	23.0	25.0	26.9	24.8
Percent.....	32.6	27.0	26.3	28.0	25.6
January 1941 to current:					
Cents per hour.....	37.7	41.5	43.5	45.4	46.7
Percent.....	56.6	48.7	45.8	47.3	48.1
November 1945 to current:					
Cents per hour.....	16.0	18.5	18.5	18.5	21.9
Percent.....	18.0	17.0	15.0	15.0	18.0

<sup>1</sup> January 1941 and November 1945 earnings are based on average hourly earnings, adjusted for overtime and other premium pay. Current hourly rates are estimates, computed on the basis of increases which have been agreed upon by the unions and the major companies in each of the industries since November 1945. Current rates therefore do not necessarily represent the rates presently in effect on an industry-wide basis, since some plants may not yet have adjusted their wage scales, but they represent the level of earnings which may be expected when the increases have become effective throughout the industries.

**Mr. MORSE.** By way of summary, Mr. President, I shall call the attention of the Senate to two propositions: One, that the justification for any legislation of this type rests upon what I consider to be a basic obligation of a democratic form of government, namely, to establish minimum social and economic standards which protect the economic weak from the economic strong and which promote the greatest good to the greatest number. Promoting the general welfare calls for such legislation as to provide standards necessary so that the competitive-enterprise system itself may function with all its richness and may provide all the opportunities for a better standard of living for all our people, without allowing labor itself to be treated by that system as a commodity and to be subject to exploitation by the economically strong.

Second, Mr. President, I say that I support this bill because I consider it a specific measure which tests the political liberalism of Members of the Senate. I am perfectly willing to stand upon the economic soundness of the bill because I think that another of the real tests of liberalism is the determination to see to it that we advance the common good of the many—as compared with the insistence of a privileged few to exploit them—in a manner which will carry out the basic principles of democratic government and our private-property economy. If free enterprise is to endure in this country, we must move along a liberal economic course of action by way of legislative reforms such as the one which is embodied in the bill now pending before the Senate. We must maintain decent minimum social and economic standards for our people as a whole in

Mr. President, I close this part of my presentation of my position on the minimum-wage bill by requesting unanimous consent to have printed in the RECORD as a part of my remarks a table showing a comparison of average straight-time hourly earnings in selected industries for January 1941 and November 1945 and currently, the figures being based upon governmental statistics obtained from the Bureau of Labor Statistics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Comparison of average straight-time hourly earnings in selected industries January 1941, November 1945, and current*

	Meat packing	Steel	Auto- mobiles	Rubber tires and tubes	Petro- leum
Average straight-time earnings (cents per hour): <sup>1</sup>					
January 1941.....	66.6	85.2	95.0	96.0	97.0
November 1945.....	88.3	108.2	120.0	122.9	121.8
Current (estimate).....	104.3	126.7	138.5	141.4	143.7
Increase:					
January 1941 to November 1945:					
Cents per hour.....	21.7	23.0	25.0	26.9	24.8
Percent.....	32.6	27.0	26.3	28.0	25.6
January 1941 to current:					
Cents per hour.....	37.7	41.5	43.5	45.4	46.7
Percent.....	56.6	48.7	45.8	47.3	48.1
November 1945 to current:					
Cents per hour.....	16.0	18.5	18.5	18.5	21.9
Percent.....	18.0	17.0	15.0	15.0	18.0

<sup>1</sup> January 1941 and November 1945 earnings are based on average hourly earnings, adjusted for overtime and other premium pay. Current hourly rates are estimates, computed on the basis of increases which have been agreed upon by the unions and the major companies in each of the industries since November 1945. Current rates therefore do not necessarily represent the rates presently in effect on an industry-wide basis, since some plants may not yet have adjusted their wage scales, but they represent the level of earnings which may be expected when the increases have become effective throughout the industries.

conformity to the Christian teaching set out in the Lord's prayer when we pray, "Give us our daily bread."

**Mr. LA FOLLETTE.** Mr. President, as a member of the subcommittee of the Committee on Education and Labor which considered the pending bill, I have given a great deal of thought and study to these proposed amendments of the Fair Labor Standards Act. I favor the enactment of Senate bill 1349.

Mr. President, in 1938 the Congress declared its intent to eliminate conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers.

I wish to emphasize at the outset that I regard this measure, as I did the one passed in 1938, as an effort to set a minimum wage. I recognize that in arriving at the proper rate judgment must be exercised, and that men can differ as to the minimum which they believe will result in the greatest benefit to the greatest number without creating unemployment. But I wish to emphasize that, as a member of the committee and as a member of the conference committee, in 1938 we knew that 40 cents an hour was not sufficiently high to provide the minimum essentials for decent living. However, it seemed as high as we could go under the depression conditions which then prevailed. I hope that Senators will remember that when the original act was passed in 1938, large numbers of persons in the United States were unemployed. During World War II the American economy proved its tremendous productive capacity and efficiency. It seems to me obvious that we can now take another step forward in our efforts to raise the minimum wage to a more adequate

standard, a standard more in keeping with the productive capacity of the American economy. The fact is that the groups which would be benefited by the enactment of the pending bill have, by their own efforts, earned the right to a higher economic standard.

For many years the United States has been noted throughout the world for its efficient utilization of manpower and its mass-production economy. Unfortunately, however, as any Senator will find if he studies the testimony taken in connection with the pending bill, the benefits of this productive genius and technical know-how have not always benefited the lower-income groups.

In the interest of all our people we should reexamine the working of our economic system to assure that these low-income groups get some of the benefits of their high production.

As far back as records go, each new generation of American factory workers has on the average doubled the output per man-hour of the generation which preceded it. Thus, between the end of the First World War and the beginning of the Second, productivity in manufacturing increased approximately 100 percent. This high output per man-hour was responsible for the miracles of production which we achieved during the war years. It made possible the tremendous victories and final triumph of our heroic fighting forces. In the most destructive war in history we proved that free men could out-fight and out-produce nations governed by totalitarian states. Despite the claims made concerning the efficiency of Hitler's Germany, the typical American factory worker produced almost two and a half times as much per hour of work as the German worker in a similar industry. Despite the reputation of the Japanese for imitating western mass-production methods, the American worker produced about four times as much in the same length of time.

During the war, as everyone knows, we accomplished many spectacular increases in productivity. In the aircraft industry, for example, output per man-hour tripled during the years 1942 through 1944. Over the same period, productivity doubled in the construction of Liberty vessels. These are merely examples of large industries achieving significant gains, but there were many thousands of other instances of American technical know-how being translated into higher production per man-hour. Moreover, many of these wartime achievements can and are now being utilized in peacetime industries, and therefore they will continue to serve well the Nation in the future.

The tremendous increase in productivity and efficiency in many industries producing for military use had an adverse affect on industries engaged in civilian production, since it was necessary for such industries to produce under conditions that were conducive to inefficiency rather than efficiency. Thus, in industries manufacturing primarily for civilian use, there were generally no substantial increases in productivity after 1941. War-production requirements not only prevented the development of new

types of machines but also precluded in those civilian industries even normal maintenance and replacement of existing equipment. Moreover, operations in civilian industries were severely handicapped by the loss of experienced workers to the armed forces, or to war industries; restrictions of output, use of substitute raw materials, and the host of other difficulties which are the inevitable concomitant of war. The surprising thing to me was that even under these severe operational handicaps, as well as excessive hours, productivity was maintained at the peacetime peak of 1941.

Now that the war is over, there is every reason to believe that the long-term trend in productivity is being resumed; not, however, at the normal rate of about 3 percent a year but, in all probability, at an accelerated rate. Manufacturers are replacing the overworked, obsolete machinery, which they had to make do during the war, with more efficient modern equipment. New techniques learned during the war are being applied to civilian products. In their most productive years our young men are returning from the armed forces to resume production for peacetime use. These factors, combined with the elimination of many other wartime handicaps, are enabling manufacturers to concentrate on efficient, high-volume production. Since present ceiling prices for manufacturers' products are at their wartime peak or higher, it is apparent that the increase in productivity which is now taking place, and which will continue in the next few years, will provide an adequate margin which can be utilized in part to increase substandard wages.

Mr. President, I want to make it clear that the large anticipated increase in productivity, which I envision, is not based on prophecy nor will it require the development of revolutionary techniques. It is being accomplished largely on the basis of existing knowledge and the application of proven methods. I also wish to refer to our experience after World War I, because I am convinced that the experience will be repeated. After that war—specifically between 1919 and 1922—productivity in manufacturing rose about one-third. The underlying economic factors which produced this startling gain after World War I are even stronger today than they were during the reconversion period following that war.

Take the cotton-textile industry as an example. The equipment used in this industry has been obsolete for years, but owing to depressed conditions and large idle capacity, comparatively few modern machines were installed in cotton mills during the past 20 years. During the war, however, the industry operated these antiquated spindles and looms at a high tempo. As a result, it made good profits and put aside large reserves for the purchase of new equipment. In the course of the next few years, these funds will undoubtedly be expended for high-powered automatic looms and other modern machinery. As a result, productivity per man-hour will inevitably rise significantly, and this increase will provide the margin with which the textile in-

dustry can meet decent wages for its employees.

Mr. BREWSTER. Mr. President—  
The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. LA FOLLETTE. I yield.

Mr. BREWSTER. I am very much interested in the Senator's discussion of the textile situation, as that is a matter of great concern to us in New England. The first phase that aroused my interest came in the discussion of the minimum wage which is now 40 cents, whereas in my section of the country—New England—the 65-cent minimum very generally prevails in the cotton-textile industry at this time. We have been urged to raise the minimum for the country to the 65-cent standard, to meet the competition of the low-wage textile industry in the South. That has been urged on us very eloquently, and with certainly some measure of appeal, as the only way of equalizing conditions.

However, another phase of the matter was brought to my attention this morning, namely, the wages in the British textile mills, which are \$13, as contrasted with the prevailing wage level in New England, which is \$26. I wondered to what extent those who have been considering this matter, in connection with the policy of the present administration to reduce protection against the competition of foreign mills, felt that the workers of this country would be affected by the continuing reduction of the protection, along with the very much lower wages which prevail abroad, as we constantly increase our wage payments.

Mr. LA FOLLETTE. The question which the able Senator raises is a very pertinent one. Let me say, first of all, that there is testimony in the volume on Senators' desks, taken in connection with the subcommittee's hearings on the pending bill, from manufacturers who have mills both in New England and in the South, to the effect that there is no appreciable difference in productivity between the employees in the northern mills and those in the South.

Mr. BREWSTER. Does that mean, then, that production costs are lower in the South at the present time as the result of their lower wage?

Mr. LA FOLLETTE. I think it does. Let me say, in answer to the second phase of the Senator's question, that of course no one can predict what reductions may be made as the result of further exercise of the power to adjust tariff rates. But I think the Senator would be interested in getting the figures showing the comparison between the per-man-per-hour output in American mills of the North or South with that which obtains in the mills in Great Britain. I have such confidence in managerial capacity and genius and the technical skill of the American worker that my belief is expressed here that if, as is surely to be anticipated, these mills are now equipped with modern power machinery, the per man per hour output will go up, so that American producers can meet any competition which may result from any reasonable exercise of the power to adjust tariff rates.

Mr. BREWSTER. Does the evidence indicate whether or not this advantage of the American worker over the British worker is to some extent the result of the use of machines?

Mr. LA FOLLETTE. I do not think there is anything to indicate exactly what produces the result, but of course it is common knowledge that in the textile industry in Great Britain a large percentage of the machinery is obsolete, methods are outmoded, factories inefficiently designed, and so forth.

Mr. BREWSTER. Would the Senator's opinion be affected if he should learn that very large orders for the most modern American textile machinery are now being placed by foreigners in this country?

Mr. LA FOLLETTE. It would not affect it, because I believe—and I do not say this in any nationalistic spirit—that the whole history of this country from the time of its industrialization has demonstrated that, given our management, given the skill of our workers, and given modern machinery, we will be more than able to compete, as I said before, regardless of any reasonable exercise of the tariff adjusting power. As the Senator knows, at a meeting to be held in Europe during the coming summer, there is to be further consideration of the whole tariff question. I cannot predict what may come out of that, but any reasonable exercise of the power, in my judgment, will be more than met by the three factors I have already mentioned, which have made this country the greatest industrial nation in the world.

Mr. BREWSTER. The Senator does continue to be a disciple of protection does he not?

Mr. LA FOLLETTE. I did not catch the Senator's question.

Mr. BREWSTER. The Senator from Wisconsin does continue, does he not, to be a disciple of protection for American industry?

Mr. LA FOLLETTE. Yes; I certainly am a disciple of protection for American industry when it is properly exercised. At the time I was here as a Republican I joined with a few of my colleagues on this side, and some on the other side of the aisle, in putting up the best fight we knew how against the Smoot-Hawley tariff bill, which I thought embodied the theory of protection gone mad.

Mr. BREWSTER. I certainly welcome the clear implication that the Senator is here as a Republican now.

Mr. LA FOLLETTE. No; I did not say that. [Laughter.] I was merely asserting a historical fact.

Mr. BREWSTER. If it is proper, I wish to call attention to the fact that very large orders for American textile machinery of the most modern type are being placed in this country. I presume the negotiated loan will finance them, and with that I have no quarrel; I think we should sell the British whatever machinery we can. But I think the Senator from Wisconsin and everyone else concerned in the welfare of American industry must not assume too much capacity in the American workmen, given the same machines in foreign countries, to prevent our being confronted with some very



clear competition, and I think we should keep our eyes constantly on that problem.

Mr. LA FOLLETTE. Mr. President, I agree with the Senator, but, if he will pardon me for saying so, I think the fear of foreign competition has been somewhat exaggerated in the past, because over and over and over again the history of American industrialization demonstrates that when we put these three factors together—management, modern machinery, and the natural aptitude of the American worker—we can meet any reasonable kind of competition. Of course, if excessive cuts are made, they may go to the point which might result in injury being done to American industry, but, as I have studied this question over the past years, I have always been amazed at how the dire predictions as to what would happen from foreign competition were not fulfilled, when we put the industrial brains and the know-how of America and the skill of the American worker together.

Mr. BREWSTER. I certainly do not wish to be in the position of disparaging the superiority of Americans over every other people.

Mr. LA FOLLETTE. Consider what we did during the last war. We out-produced all the other nations of the world combined.

Mr. BREWSTER. I do not wish to divert the discussion, but we did have one rather totalitarian power on our side during that process.

Mr. LA FOLLETTE. Yes; but I do not think that proves anything about production, as the Senator will agree if he will examine the figures.

Mr. BREWSTER. I agree with the Senator in that. To continue with the specific issue, the Senator spoke about the Smoot-Hawley bill.

Mr. LA FOLLETTE. Yes.

Mr. BREWSTER. If the Senator was very closely following events, I am sure he is aware of the fact that the Smoot-Hawley law is no longer the issue, but that we are down to within five points of the Underwood tariff, and under the law enacted by Congress a little time ago we can go practically 50 percent under the Underwood tariff, which was considered the primary factor in the terrific depression that followed the last war. I am sure the Senator recalls that situation, and that of course gives me very great concern.

Mr. LA FOLLETTE. I do not agree with the weight which has been given in some quarters to the factor of the Underwood tariff in its effect upon the depression after the last war. My only reason for citing the Smoot-Hawley tariff bill was that the Senator said he was glad to know that I subscribed to the protective theory. I wanted to say that I did subscribe to the protective theory, but I did not subscribe to it when I felt it was carried to great excess.

Mr. BREWSTER. Going back to the time before the Senator was here, I think, although I know he was following events very closely, in 1920 and 1922, when the tariff was increased, not under the Smoot-Hawley law but under the earlier one, which replaced the Underwood tariff, I think that is a much more interesting test, and I wanted to know

whether or not the Senator had an opinion on that matter at that time.

Mr. LA FOLLETTE. I was not in any position to register my opinion on that situation.

Mr. BREWSTER. That is a much fairer test of the protective principle.

Mr. LA FOLLETTE. I may say to the Senator that I take great comfort from the fact that the productivity of American industry has risen 100 percent since that time.

Mr. BREWSTER. One final question, and I shall be through, because I do not wish to interrupt the Senator's remarks further. I have felt that the Senator from Wisconsin was much more eloquent in behalf of dairy products than of the textile industry of New England, and I hope he will join me whenever the proper time comes. I am happy to associate myself with him in behalf of the dairy interests, but I do think we should take all our industry into account when we subscribe to the protective tariff principle.

Mr. LA FOLLETTE. If the Senator will search the more than 800 roll calls which were taken on the Smoot-Hawley bill in the Senate, he will find a single one of them in which I took a sectional position.

I should like to say also that what I have said about the textile industry of America I hope the Senator will consider as a compliment, because I have indicated that I have great confidence in the industry and in its capacity to increase its productivity. I think it is going to continue to make great strides in that direction.

Mr. BREWSTER. I did not mean to imply that there would be any lack of fairness, because I know that no one in the Senate has a better reputation than the Senator from Wisconsin in that regard when the case is presented, and we shall appeal to the Senator in confidence—

Mr. LA FOLLETTE. And not in vain.

Mr. BREWSTER. When, as, and if we find that we are being inundated with foreign importations which we are unable to meet. We are very much concerned about it, but it is still too early to determine whether that will come to pass.

Mr. LA FOLLETTE. If the economic facts in the case are present the Senator will find me in his corner.

Mr. President, there is one additional point I should like to make about the relation between productivity and the present minimum-wage bill. It seems clear that the enormous output per man-hour already attained and the spurt in productivity which is now taking place will continue during the course of the next 3 or 4 years. I see every indication that the long-term upward trend in productivity will continue beyond that time. In fact, our knowledge of industrial processes and our expenditures on industrial research in connection with the war are infinitely greater than in any other period in our history. Moreover, our scientists are exploring new fields of chemistry and physics which may lead to revolutionary changes in our living habits in the not-too-distant future. Therefore, the long-term trend in

productivity after the initial sharp upturn following the war is, in my judgment, more likely to increase rather than decline. Thus, the ever-higher output per man-hour will, in my considered judgment, enable our economy to absorb progressive increases in the minimum-wage level and I believe it is reasonable to assume that the 65-cent minimum can be increased to a 75-cent level in the next few years without any inflationary effect on our general price level.

Thus far, I have been speaking primarily of productivity in manufacturing industries. However, higher output per man-hour is by no means confined to factory work alone, but has also been characteristic of mining, agriculture, transportation, public utilities, and the service trades. Thus, for example, man-hour output in American mines more than doubled between World War I and World War II, and the increase in railroad transportation in the same period amounted to about 75 percent. The latter figure would no doubt have been even more impressive if the railroad plant had not been allowed to become run down and obsolescent during the depression. Moreover, during the war productivity in mining continued to increase at the long-term rate of about 3 percent per annum despite the numerous handicaps of wartime operations and the working of lower-grade and marginal ore deposits.

In railroad transportation, productivity rose about 50 percent between 1939 and 1944. While this phenomenal achievement was attributable primarily to the fuller loading of cars and maximum utilization of facilities which may decline somewhat under less stringent conditions, railroads have already placed large orders for high-powered modern equipment and the long-term trend toward higher output per man-hour will undoubtedly be resumed in a short time.

Productivity in the service trades and in office and clerical work is more difficult to measure scientifically than that in other types of industries. Nevertheless, studies by noted economists have shown that through better organization and control, through the use of more efficient machinery, and through countless other ways, the volume of business conducted by a staff of a given size has risen very significantly in recent years and is continuing to expand.

Mr. President, I now wish to refer to the increased coverage which the bill provides. The pending bill would be of material benefit to the employees of chain stores with large-scale operations. At the present time the act exempts these employees where the greater part of the sales of the stores where they are employed are in intrastate commerce. The pending bill would change this exemption to make it applicable only to small, independent retail and service establishments. Under the bill employees of chains of retail or service establishments consisting of five or more stores and other such establishments whose annual business exceeds half a million dollars a year would be brought within the protection of the minimum wage and overtime provisions of the law.

I desire to emphasize in order that there may be no misunderstanding on this point that the proposal of the committee would not in any way apply to employees in smaller drug stores, grocery stores, barber shops, shoe-repair shops, tailors and cleaners, and the like which make up by far the greater number of the Nation's retail and service establishments. Out of more than a million and a half independent retail establishments, less than 5,000, representing the very largest stores, would be brought under the act. The enterprises which would be brought under the act are those which are either a link in the flow of interstate commerce as in the case of the chain store, or those which by their size necessarily engage in a variety of activities which are interstate in character or which affect interstate commerce. These activities are of a very different kind from those which I believe the Congress originally intended to exempt when it inserted section 13 (a) (2) in the present act. When this section was debated, it was apparent that what Congress thought it was excluding from the act were primarily establishments such as the local dry goods store, the butcher shop, and the corner grocery. In actual practice, however, this provision has had the effect of exempting large retail outlets, big chains, and department stores. I repeat that the bill will not bring the local dry goods store, the butcher shop, or the corner grocery within the coverage of the wage-and-hour law, but it will bring within the protection of the law the employees of the large chains and the large-scale stores.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MYERS. Is the Senator in his statement going to refer to hotels? I have received considerable mail from hotels throughout my State objecting to the provisions of the bill.

Mr. LA FOLLETTE. No, Mr. President, I am confining my reference in these remarks to the retail store and the chain store.

Mr. MYERS. Will the Senator comment at this time as to whether hotels—small and large hotels—would be covered under the provisions of the amendment?

Mr. LA FOLLETTE. I do not have statistics on that point, I will say to the Senator. They would be covered if they did \$500,000 or more of business annually. But I do not have the break-down of the number that would be covered.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. PEPPER. Is it not fair to say that if any enterprise is engaged in interstate commerce, it would be a great corporation which stretches all over the country, which buys and sells goods all over the country, and for which agencies in particular places are merely outlets for this national service and sales?

Mr. LA FOLLETTE. I do not think there can be any question that the large organizations with their far-flung operations are engaged in interstate commerce. As a matter of fact, the Senator knows that many of their warehouse establishments and their manufacturing

establishments are now covered by the existing law. But because Congress, in 1933, put in this exemption of retail outlets, it permitted that portion of this vertical, or horizontal, operation, whichever the Senator prefers—it permitted the retail outlet to be exempted from the law, along with the small local retailers and the service establishments.

Mr. PEPPER. Mr. President, will the able Senator yield once more?

Mr. LA FOLLETTE. Yes.

Mr. PEPPER. I saw a chain-store proprietor the other day who complained about the unfairness of the committee because he assumed that the committee had designedly attempted to legislate discriminatingly against chains. I told him that on the contrary the committee had not intended to discriminate and had taken no action that would discriminate against chains as such. We made size and character the criterion.

The committee felt that an independent merchant who did more than half a million dollars of business a year conducted an enterprise of such size and character that it should come within the scope and coverage of this proposed law. The chains are covered because their size, character, reach, and extent and volume of business done bring them within the category which the committee felt should be covered by the act.

Mr. LA FOLLETTE. I entirely agree with the Senator, and I am very glad he made that point. There is no intention to discriminate.

In the case of the typical chain stores their warehouses are covered now under the act, because they are in the midst of a stream of interstate commerce from suppliers through the warehouse into the retail store. There is no logic or justification for the law cutting across this flow of commerce as it does now so that the employees in the retail outlet are outside the protection of the law. Similarly there is no justification for the law cutting across the flow of commerce into the stores with large-scale operations, so as to exempt employees in these stores. These stores employ on the average of upwards of 150 employees in each store.

Establishments which will be brought under the act are large industrial enterprises, whose operations frequently extend throughout several States, and in some cases over the country. Many of them manufacture all or part of the products they sell. The majority of them act in a wholesale capacity for their own retail establishments and frequently for other establishments. They buy directly from the manufacturer, holding large stocks of goods on hand, and redistributing goods to various locations as needed. Employees engaged in their manufacturing and wholesaling operations are presently covered by the act, and the retail and service employees of these enterprises should also have its protection.

Chain store operations differ in many respects from the small, local retail or service enterprise. They are large corporations with several stores and a large force of employees. They bear scant resemblance to the neighborhood drug, grocery, drygoods, or notion store, or barber shop. In 1939, the census reported average sales of chain stores almost

four times as large as the average for independent stores. Although there are approximately only one-tenth as many chain stores as there are independent retail stores, the chain stores have from one-half to one-third as many employees and do about one-fourth of the total retail business of the country. Food stores illustrate the basic differences between large-scale chain operations and independent operations. Chain food stores, accounting for about 30 percent of total chain-store sales, averaged six employees a store in 1939, and sales of more than \$60,000 a store. Independent food stores, on the other hand, average one employee, and one proprietor a store, with average sales of about ten to twelve thousand dollars a store.

Independent retail and service establishments, with sales of over \$500,000, are also not "typical" retail or service establishments such as the original exemption was intended to exclude, as I believe. They comprise less than 1 percent of all the independent establishments, but they have nearly 20 percent of all the employees and make about one-fourth of all the sales. Approximately one-half of these employees are in department stores, many of them with several hundred employees, with annual sales per store averaging more than \$3,000,000 in 1939.

The effect of the amendment on the total coverage of the act would be to extend its benefits to between a half and three-quarters of a million workers; in conjunction with the "affecting commerce" amendment, another million and a half workers would be covered. About four-fifths of these employees are in large-scale or chain retail stores, representing about 30 percent of the total retail employment; the remaining one-fifth are in service establishments operating on a chain basis or doing a volume of business several times larger than that of the smaller laundries, barber shops, beauty parlors, and other retail outlets which I have already mentioned.

In extending the protection of minimum wages and overtime compensation to employees of large stores and chain stores and in still retaining the exemption for small shopkeepers and service establishments, the bill really makes the coverage of the Fair Labor Standards Act coextensive with other legislation in the labor field, such as the National Labor Relations Act, which applies to the large stores and big chains. By exempting the small independent stores and service establishments the bill recognizes the special difficulties of these smaller concerns which do not have office forces adequate to keep required records and which are not able to regularize their operations to the degree that the large stores and service establishments are able to do.

The large enterprises, although they may sell at retail, buy as wholesalers buy—at the price and quantity at which the wholesaler buys. They are not engaged in a purely retail business, but in a hybrid business which combines wholesale, manufacturing, and retail functions. In point of fact the exemption contained in the present law which treats these large enterprises as retailers only



accentuates their other economic advantage over the small independent retailer.

The need of the employees of the large stores and chain stores for the protection of the minimum wages and overtime prescribed in the Fair Labor Standards Act is well known to every person who has made a study of wages and hours in the United States. Union organization is much less prevalent in the retail and service industries than in industries such as manufacturing, mining, or transportation, which are already covered by existing law. Hours of work in retail stores and service establishments are traditionally long and earnings have been traditionally low.

The need of the employees in large stores and chain stores for minimum-wage protection is not, however, too dissimilar from that of other employees who are covered by the act at the present time. According to the Monthly Labor Review of February 1946, the average hourly earnings of employees in retail stores in November 1945 were 80 cents an hour. Average hourly earnings ranged upward from 65 cents an hour in general merchandising stores to 99.1 cents an hour in automotive sales establishments. Such industries as lumber and timber, wood preserving, textiles, hosiery, knitwear, and many of the apparel industries, tobacco manufacturing, and certain food industries have average hourly earnings at levels at or below the average hourly earnings in retail trade.

On the other side of the picture is the fact that in 1944 a group of very large corporations engaged in retail trade received an average rate of nearly 30 percent on net worth before income taxes and 10 percent after income taxes. Surely such profits, when compared with the earnings received by employees in large stores and chain stores, do not justify continuing to put these enterprises in a special category exempt from the obligation to pay their employees at least a minimum wage of 65 cents an hour, and to pay them time and one-half for overtime after 40 hours.

The employees in these stores need the protection of the minimum-wage and overtime provisions of the act fully as much as employees in other industries, and fully as much as employees of some of the same enterprises in their manufacturing plants or in their wholesale distributing centers. They have children to educate and doctor bills to pay. They need good food and adequate housing and proper clothing. Industry which produces the goods they need requires them as customers fully as much as it requires as customers the employees in manufacturing establishments. Their purchases form a part of national purchasing power fully as much as do the purchases of employees in other industries. Both industry and the farmers depend in part upon the purchasing power of these employees for continued activities on the basis of maximum production and employment. It has been estimated that farm income will be increased by \$750,000,000 a year as a result of increased food purchases due to the increase in wages which the pending bill would bring about. On the basis of need and in the national interest, it is essen-

tial that these employees be extended the protection of the law amended in the manner proposed by the bill now before the Senate.

I state again, Mr. President, as I said at the outset, that I recognize that the judgment of men who have studied this problem will differ as to the point at which the minimum wage should be fixed at this time, but it is my firm conviction that all the experience growing out of the war, all the experience we have had with the ever-increasing productivity of American industry due to natural resources, managerial genius, engineering skill, and equipment, should lead us to take the optimistic position that this trend is bound to continue in the future and that we should exercise our judgment on the side of raising the minimum wage in the way that is proposed by the pending bill.

I base that position, Mr. President, on the high level of productivity in the United States which has been the basis upon which America attained its greatness. Increases in productivity which have already manifested themselves and which will exert an increasingly powerful influence on our economy in the next few years will provide the basis which will enable us to maintain a decent American minimum standard of living. It is my firm conviction that it is in the public interest to do all in our power to make certain that the low-income groups share in the progress to which they make such a notable contribution. The passage of this bill will be a long step in the elimination of conditions detrimental to the welfare of these workers, the communities in which they live, and the Nation as a whole. Its enactment will contribute greatly to buttressing our free-enterprise economy at a high level of production and employment.

Mr. President, I ask unanimous consent to have printed in the Record, at the conclusion of my remarks, comments based upon the document entitled "American Industries in War and Transition, 1940-50," issued by the War Production Board, indicating the productivity during the war.

There being no objection, the comments were ordered to be printed in the Record, as follows:

#### A. INCREASE IN PRODUCTIVITY DURING THE WAR

This conclusion about productivity during the war is based on the Bureau of Labor Statistics index for 24 selected nonmunitions manufacturing industries whose products remained nearly enough constant during the war to permit extension of the prewar series. The evidence for these industries is not relevant for an analysis of the general increase in productivity during the war. Productivity in these industries was kept artificially low by virtue of their inability to compete for resources with the munitions industries. These industries lost much of their qualified manpower to the munitions industries and in large part had to rely on marginal labor. They were also compelled to operate with old plant and machinery which would otherwise have been retired. No conclusions can therefore be drawn from the trend of productivity in these industries to the trend in manufacturing as a whole.

A War Production Board study estimates that despite the small increase in these nonmunitions industries there has been about a 25-percent increase in output per man-hour in manufacturing as a whole between

1939 and 1944 (American Industries in War and Transition, 1940-50, War Production Board, Program and Statistics Bureau, Dec. No. 27, July 20, 1945, p. 9). This increase is slightly above that which would be expected on the basis of normal trend value.

#### B. INCREASE IN UNIT-LABOR COST

The facts are that, despite the increase in wage rates during the war and despite the alleged constancy of productivity, private wages and salaries took about as much of every dollar of private production in 1944 as in 1939, whereas profits before taxes represented an increasing share. The details may be obtained from the Department of Commerce.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendment of the Senate No. 18 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate No. 10 and concurred therein with an amendment, in which it requested the concurrence of the Senate.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

#### EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. McKellar submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 12, 27, and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 15, 16, 19, 20, 21, 23, 25, 26, and 29, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to

the same with an amendment as follows: In line 8 of the matter inserted by said amendment strike out the sum "\$570,000" and insert in lieu thereof "\$970,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: At the end of the sum "\$3,272,983" inserted by said amendment, insert the following: "of which \$40,000 shall be available for salaries and expenses of the Federal Board of Hospitalization"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$101,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"No part of the appropriations herein made to the Bureau of the Budget shall be used for the maintenance or establishment of more than four regional, field, or any other offices outside the District of Columbia."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,060,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,792,700"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,194,120"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,075,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,916,700"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,431,142,415"; and the Senate agree to the same.

The committee report in disagreement the following: Amendments numbered 10 and 18.

KENNETH McKELLAR,  
RICHARD B. RUSSELL,  
THEODORE FRANCIS GREEN,  
J. H. BANKHEAD,  
STYLES BRIDGES,

*Managers on the Part of the Senate.*

JOE HENDRICKS,  
GEORGE MAHON,  
GEORGE ANDREWS,  
ALBERT THOMAS,  
R. B. WIGGLESWORTH,  
FRANCIS CASE,  
HENRY C. DWORSHAK,

*Managers on the Part of the House.*

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of the conference report. It is a report on the independent offices appropriations bill which has been passed by both Houses of Congress, and both Houses have agreed as to everything except language which will be reported in a separate amendment which I shall offer in a few moments.

Mr. WILEY. That is the only difference, is it?

Mr. McKELLAR. It is the only difference; and as soon as the conference report is adopted, I shall move that the amendment be agreed to.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendment of the Senate to House bill 5201, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.  
March 21, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 18 to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, and concur therein; and

That the House recede from its disagreement to the amendment of the Senate numbered 10 to said bill and concur therein with an amendment as follows:

In line 12 of the matter inserted by said Senate engrossed amendment, strike out all after "Senate" down to and including "bodies" in line 14, and insert "or House of Representatives or by the Committee on Appropriations of either body."

Mr. McKELLAR. Mr. President, I wish to explain to the Senate what the amendment means. In the language relating to the emergency fund of the President there is a proviso reading as follows:

Provided, That no part of such fund shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Seventy-ninth and Eightieth Congresses and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies.

In other words, if an appropriation requested by the President has been denied by both Houses of the Congress or by the Committees on Appropriations of both bodies, then according to this provision the emergency fund of the President cannot be used to finance such a function or project. The amendment changes the language of the proviso so as to read "Senate or House of Representatives or either Committee on Appropriations."

I am sure the Senator from Wisconsin will approve the amendment, and I am quite sure every other Senator will also approve it. Therefore I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 10.

The motion was agreed to.

#### THE HOUSING EMERGENCY

Mr. MEAD. Mr. President, I desire to bring to the attention of the Senate again the developing housing emergency in which the country now finds itself. We have provided in many ways for the veterans of the recent war. We have provided them with hospitalization, education, compensation, and preference in the civil service, but we have delayed altogether too long in providing the minimum housing facilities which they require when they return to civilian life. The legislative situation is bad. The temporary housing bill is in conference. The appropriation for that temporary measure has yet to be authorized. The so-called Patman bill, which recently passed the House of Representatives with numerous amendments, has been referred to the Senate Committee on Banking and Currency. The Wagner-Ellender-Taft bill is yet to be considered by the full Committee on Banking and Currency which now is considering the Patman bill.

Mr. President, it may be weeks or even months before this legislative program is finally enacted by both Houses of Congress. If that happens, a very grave emergency will have occurred. I hate to contemplate the difficulties in which we shall find ourselves if that is permitted to happen. It is my opinion that the Senate will have to reconstitute the Wyatt housing program or present a satisfactory and suitable alternate program.

As I have said, the housing shortage constitutes at present a very grave emergency; and unless we expedite the legislative program in connection with housing, the emergency will gradually and progressively grow worse. As I have indicated, in some respects Congress has provided for the veterans who are returning to their homes; but unless Congress does something about the housing emergency, it will be treating the veterans of the recent war in a very cruel and very unsatisfactory manner. Then, Mr. President, an emergency even more serious than the present one will be upon us; and unless we expedite this program, recognizing the fact that hundreds of thousands of veterans are returning weekly, we shall find our people living in the parks, we shall find them resorting to tents for homes, we shall find that it will be absolutely necessary for us to use transport ships, camps, Army posts, and similar facilities for the housing of our people because of the increasing number of family housing units which are necessary every day in view of the return to our country of thousands upon thousands of veterans.

Mr. President, I am hopeful that the Senate will grasp the seriousness of this problem and will expedite the enactment of this legislation which in my judgment presents to us a challenge which requires and demands that we do justice to the returning servicemen.

Day by day the extreme emergency growing out of the need for housing for veterans becomes more and more apparent. Every day, thousands of newly released servicemen are joining the ranks of the millions of veterans already discharged who are finding the lack of hous-



ing the most serious obstacle to their return to normal civilian life.

Mr. President, further to indicate the fact that the emergency is here, let me point out that within the last few days I find editorial comment on the subject in such newspapers as the Chicago Sun, the Philadelphia Bulletin, the Philadelphia Inquirer, the New York Herald Tribune, the Baltimore Sun, the Philadelphia Record, the Christian Science Monitor, and the Des Moines Register. I now ask unanimous consent to have the editorials printed at this point in the Record as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the New York Herald Tribune of March 21, 1946]

#### THE VETERANS ON HOUSING

The veterans have their say about the dearth of housing in a count of hands reported elsewhere in this newspaper today by Mr. Elmo Roper. Returned soldiers' responses toward various suggested solutions to their shelterless predicament—responses separated from others tallied in a cross-section survey of public opinion—constitute a loud demand from the ranks for action.

In the survey, made just before Mr. Wilson Wyatt's emergency program was announced, 87.5 percent of the veterans approved the Government's lending at low interest to people who wish to build their own medium-priced homes. About three-fourths (74.3 percent) were against removing ceiling-price controls on building materials. As to channeling building materials to low- and medium-bracket house construction even more (77.9 percent) said "Yes." And almost 9 out of 10 (89.3 percent) felt that rent ceilings should be kept a while longer.

The principles of those things are implicit in the Wyatt emergency program, which the House of Representatives stripped of vital provisions for ceiling prices on existing homes and premiums to promote a swift flow of building stuffs. But, in the veterans' opinion, even more than the whole Wyatt program is not enough. They were asked whether the Government should start right in and build on a large scale to sell and rent direct to veterans; more than half of them (58.8 percent) replied "Yes." In this they went beyond the Wagner-Elender-Taft bill's solutions, which stop with the proposal that the Government lend at low interest to local housing authorities for low-cost construction and slum clearance. The direct action was suggested in the Rabin bill, introduced last December in the House, however, and a revival of interest in such steps may be expected if there is protracted fiddling and, consequently, increased desperation.

On almost every point the veterans stood by greater majorities than the general public for the remedial steps, though, significantly, a plurality of the latter, or a majority, favored the same measures. One-third of the public in fact supported compelling those who have unused rooms to rent them—and Mr. Roper persuasively surmises that the reason that only 35.6 percent of the veterans agreed to this is that "they've already had enough 'doubling up' to last a lifetime."

The survey is interesting as the first breakdown of public opinion by Mr. Roper as to veterans' and nonveterans' sentiment. It indicates that although the veterans have not formed themselves into huge pressure groups, they are thinking citizens, desirous of meaningful solutions of at least one exigent domestic problem.

[From the Christian Science Monitor of March 5, 1946]

#### A BLOW TO VET HOUSING

In a spot where problems are peculiarly intensified, the United States faces the now familiar choice between battling inflation by production plus control, or by production plus free-for-all scramble. The spot is housing, and not only is inflation an issue here but also a very real and acute shortage of actual shelter—especially for returning veterans.

Housing Expediter Wyatt's report, widely acclaimed as able, gave hope of only 2,700,000 new houses and apartments by the end of 1947—a bare fifth of the 10-year need—with the aid of everything that could be brought to bear—subsidies to attract skilled labor and encourage production of scarce materials, and priorities and allocations to channel those materials to the housing job. Now, in spite of pleas from all five of the Government agencies charged with reconversion and stabilization responsibilities, Congress has refused to give Mr. Wyatt the backing he asks. Instead, the Wolcott bill promises to pass, which would remove price ceilings on both new and old houses, make no provision for subsidies, and limit allocation powers.

The price question alone is of especial importance here. There are reasonable arguments that supply and demand would soon hold down prices of goods quickly manufactured. But housing construction takes time. The country is already witnessing what happens when homes get caught in the inflationary whirlpool.

And the consequences of this kind of inflation can be so disastrous! A returning veteran might write off his loss on a \$30 overcoat for which he paid \$60 as a minor casualty of war-to-peace. But should he be saddled with a \$10,000 indebtedness on a home he might have to sell 5 years later for \$5,000, his earnings for many years would be mortgaged. Multiply such a misfortune by a few million, and America would have the makings on another economic collapse.

Coming from a man of Wilson Wyatt's standing and disinterestedness, the charges that a huge lobby is fighting his program cannot be shrugged off as politics. Here is a situation in which veterans and the general public both need to make themselves heard.

[From the Philadelphia Record of March 9, 1946]

#### HALF A HOUSING BILL AS BAD AS HALF A HOUSE

On key legislation, Congress is being about as helpful as a kick in the teeth.

Sending a good, workable bill to solve a critical national problem through the House of Representatives is like taking a clock to a blacksmith for adjustment.

He removes the spring and gears, puts it back together again so it looks like a clock.

But it does not tick. It does not "tell time."

That is the way it was, for instance, with the full employment bill which emerged after Congress got through with it as a pitiful thing with neither purpose nor power.

That is what has also happened to the Patman housing bill.

The House has just finished "adjusting" that.

It ripped out what President Truman called the heart of the legislation—price ceilings on existing homes and Federal subsidies to encourage a production speed-up in building materials.

There is a crisis in housing in America. Particularly among veterans.

It is estimated that at least 3,000,000 families will need homes by the end of this year and 680,000 more by the end of 1947.

Truman's able Housing Expediter, Wilson W. Wyatt, has drafted a comprehensive program calling for 2,700,000 moderate and low-priced homes in the next 22 months.

The Patman bill, before the House went to work on it, was the enabling legislation for the Wyatt program.

To solve the housing crisis, all our energy must be directed toward that end—

Not only half, or a third, as the House proposes.

Dwelling prices must be regulated to hold the economic line against inflation. It must be done so veterans can afford to purchase homes—old ones as well as new.

We paid Federal subsidies in billions during the war to get production fast. Nobody likes subsidies in normal times, but they produced the goods in an emergency.

The housing shortage is an emergency. The Patman bill must be restored to its original form in the Senate.

By the time it reaches a Senate-House conference committee for ironing out the differences, the House perhaps may have heard the voice of the American public.

The public demands roofs be raised swiftly for veterans—or it will raise the roof on Capitol Hill.

[From the Baltimore Sun of March 9, 1946]

#### THE HOUSE MAKES A BEGINNING AT AN EMERGENCY HOUSING PLAN

The House has now passed an emergency housing bill which provides for almost everything needed to get emergency housing except the materials with which to build houses. This, however, is a serious defect. It is a defect which the Senate and later the inter-House conference will be expected to correct.

The House bill falls down on the materials issue because a House majority has killed the program for \$600,000,000 worth of manufacturers' subsidies in the housing materials field. The principle on which the House majority rejected this provision is a good one. Subsidies are the opiate of an economic system and dull all those efficiencies on which sound economic production depends. Not only that. With \$300,000,000 to play with, unscrupulous or unskillful bureaucrats could fall into all kinds of graft and corruption. If subsidies are finally adopted, Congress and the housing expediter will be under the most urgent obligation to keep a cold and canny eye out for trickery in this field. But having made those necessary reservations it is still true that a case can be made for subsidies in this particular case.

It roots in the fact that overriding necessity requires the continuance of price ceilings generally and in the housing materials field. These ceilings, being fixed in terms of average, allow a fair profit to the efficient operators in the field. At the margin of the manufacturing field, however, are high-cost operators who for various reasons can't do business at the ceiling level.

To get the production which these high-cost people can provide if someone will guarantee them against losing money, Mr. Wyatt had proposed to pay them subsidies over and above the market return they would receive under the general price ceilings. If they don't get these subsidies, they just won't produce. If they won't produce, many houses won't be built. If these houses aren't built just so many more house-hunters, veterans especially, will have to go unhouse.

The House has also refused to authorize ceilings on the resale price of houses already built. Thus it has refused to apply the controls in this vital field which obtain rather generally elsewhere in the economy. The ceiling proposal, as a matter of fact, was rather less onerous than ceilings in other lines because it permitted immediate unceilinged sales, the control merely setting in to block subsequent sales at higher figures.

With these two important omissions noted, however, it must be said that the House bill has enacted some helpful things. It gives Mr. Wyatt legislative authority to smash bottlenecks in other agencies which retard housing. Firm power for the allocation of what materials there are is provided. Preference is given to World War II veterans in the housing produced. Ceilings on new houses are authorized. In short, a beginning has been made. But subsidies and the resale ceilings are an integral part of the Wyatt plan and must be provided in the emergency bill finally enacted.

[From the Chicago Sun of March 6, 1946]  
PEOPLE MUST DEFEAT THE ANTIHOUSING LOBBY

It is up to the people to save Wilson Wyatt's housing program. The Truman administration having failed to save it in the House, the people—and especially the war veterans who are most immediately concerned—must make their voices heard so strongly that the Senate will restore the essential features of the program.

This newspaper does not advocate a veteran's march on Washington, but nobody who is even half aware of the housing problem can deny that if ever a march were justified, this is the time.

Seldom has Congress surrendered so abjectly to the pressure of an organized lobby representing special interests against the clearly perceptible public interest. When a solid Republican phalanx, backed up by the usual complement of Southern Democrats, cut the heart out of Mr. Wyatt's legislative program, it was the real-estate men, the big materials producers, and speculative builders who were directing national policy. And they were directing it in behalf of a speculative boom which would not only prolong and deepen the housing crisis but threaten the economic and social stability of the country at large.

The lobby and its congressional servants give the veteran, instead of houses, moralistic homilies against subsidy. What Mr. Wyatt actually proposes, however, is a system of incentive bonuses to bring about an urgently needed eightfold expansion in the production of housebuilding materials.

The Nation has used that principle often in the past. We used it to evoke the miracle of war production. We used it to build railroads, build highways, encourage manufacturing, relieve depression. By tariffs, land grants, revolving funds, donations, tax rebates, and countless other devices, Congress has subsidized one industry after another. But now Congress declines to apply the same principle to veterans' housing.

Again, the lobby and its minions tell us in unctuous tones how much nobler it is to control real-estate inflation by competition than by price ceilings. Competition! They know in their hearts that with demand at its present explosive proportions, price competition does not exist. Without ceilings, we face the certainty of a steady rise in housing costs that will remove homes from the reach of more and more veterans.

It was not socialization that the House defeated. It was not free enterprise that triumphed. The bald and ugly fact is that the House, acting at the behest of vested interests in a stagnant industry, voted against 1,200,000 houses this year and in favor of 500,000 houses. The people must make it plain that they want more than a million houses in 1946; and that they want every Member of both branches on record by roll-call vote as to where he stands.

[From the Philadelphia Inquirer of March 6, 1946]

#### PICK UP THE PIECES AND ADOPT A HOUSING PLAN

Housing legislation sponsored by the Truman administration has been torn to bits in a bitter dog fight in the House.

So now what? So now Congress must pick up the pieces and assemble a new program. It will be making a grave mistake if it ends up in political deadlock in this matter or if it evolves some pseudo-plan for housing relief that cannot work.

The controversy over price ceilings and control has been a major feature of House debate on the bill. The administration wants price ceilings on existing homes, an that provision has been defeated. It wants price ceilings on new homes also and it is indicated that item will be tossed out as well.

Proponents of the price fixing on home sales contend it is needed to checkmate inflation and protect veterans from excess costs. Opponents insist it will discourage home building and promote black-market sales of dwellings above ceilings.

Main defeat suffered by the administration has been in connection with the proposed \$300,000,000 subsidies to stimulate production of scarce building materials. The sponsors of this decisively outvoted provision say that it is indispensable to prevent price-hiking that would place new homes out of the reach of veterans. Spokesmen for the other side favor, instead of the subsidies, reasonable increases in the price of materials, which they say, would immediately encourage production of materials and thereby assist large-scale building operations.

Certainly the materials now so scarce must become plentiful before homes will begin rising on the scale envisioned by Housing Expediter Wyatt. It will be unfortunate all around if moves to that end are bogged down in politics or in campaigns aimed at the OPA or the theory of price ceilings in general.

A program in the precise form favored by Wyatt may not be necessary, but a program that can channel materials to home building in price ranges returned servicemen can afford is definitely needed, and Members of Congress must frame one.

[From the New York Herald Tribune of March 6, 1946]

#### HOUSING: THE EMPTY HAT

For the moment the House of Representatives has put the national housing authorities into a position which is depicted elsewhere on this page by our cartoonist, Mr. Darling. Pulling houses out of a hat was, of course, never proposed by Mr. Wilson Wyatt, the Housing Expediter. On the contrary, he has convincingly stated what it will take to put up 2,700,000 homes for veterans in time to keep abreast of the crisis. But the hat trick is what the House came down to when it rejected the heart of the Wyatt program—the \$500,000,000 premium provision for insuring production of building materials, just as the Government previously underwrote mortgages for bankers in order to stimulate home owning.

There is just one way to put the housing in the hat. The Senate can reconstitute the Wyatt program, thus reassuring the veterans and the public in general as to the responsibility of their legislators. We trust that this will be done.

[From the Des Moines (Iowa) Register for March 6, 1946]

#### THE HOUSING BILL AND A BLIND CONGRESS

Of all the domestic measures before Congress, one would expect the bill designed to meet the housing shortage to receive the broadest support. For, although the housing shortage affects many groups, it affects two groups particularly—the families of veterans, millions of whom have had to give up their homes while in service, and the families of the poor, who under our system have always had to rely on getting houses "passed down" to them which are not now available because so few new houses are being built.

Monday a coalition of virtually all Republicans and some Democrats in the House

voted against a proposal to use \$600,000,000 to subsidize greater production of building materials. This was regarded by President Truman, Chester Bowles, and Wilson Wyatt as the heart of the administration's housing program.

It isn't that this administration program was perfect. But it was a plan, and one aimed at the root of the problem. Experts and disinterested persons generally have advised and supported it. Veterans' groups have pleaded for it. And speed is important, because the housing situation is getting worse and will continue to get worse for some time. Houses are deteriorating. More hundreds of thousands of servicemen are returning all the time. There is a considerable lag between starting to build a house and living in it, at best.

The arguments against the subsidy proposal have been largely on the smear level, calling it communistic and socialistic and offering neither constructive criticism, amendment, nor substitute. Once again the House of Representatives has used the "teller" vote—originally designed to speed procedural matters—in order to escape a record of how the individual Members voted on a highly important matter, and thereby to escape responsibility for their votes.

Republicans supposedly have a substitute for the administration's bill. If it is realistic, it is going to have to deal with the same economic and social facts which the administration's bill tried to meet through the subsidy program. Meantime nothing is being done. Meantime the matter has been made a political football in an election year.

We have never been able, under our political system, to receive constructive leadership from the minority party in Congress. There is no reason to believe that we will on the housing issue. We get leadership—if we get it at all—from the administration and the majority party. The defeat of this part of the administration's housing program is a defeat of constructive leadership in general.

The Congress which in 1941, with but a single dissenting Member (who was booed for her vote), declared a war taking millions of our young men away from their homes, now refuses to hurry in making it possible for them to resume their normal lives.

To citizens who are angry at this betrayal of responsibility, and to servicemen who are being kept from their families or from getting married or are living in rat-holes and with uncertainty—to these it will be slight satisfaction to say, "Well, you can vote." But it is the best they have. And they will no doubt use it.

In the meantime, those who scream "communism, socialism" at every proposal to get something tangible done are the very ones who are really promoting those systems. For they are discrediting both capitalism and representative government.

Mr. MEAD. These editorials, Mr. President, call for the immediate consideration of the veterans' housing program. There are other editorials on the same subject from newspapers all over the country. I am bringing only a few of them to the attention of the Senate in order to indicate the widespread interest which is held in the housing program.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield to the Senator from Ohio.

Mr. TAFT. As the Senator from New York has said, the co-called Wagner-Ellender-Taft bill will be considered in executive session by the full committee tomorrow. I hope that the bill will be approved in two or three meetings of the committee. The emergency bill which came from the other House has been delayed, I believe, as much by lack



of planning on the part of the Administrator as by anything which Congress may or may not have done. The committee was ready to go ahead with hearings on the bill this week, but the Administration was not ready. I do not want the impression to be created that the Banking and Currency Committee has delayed consideration of the so-called housing measure. I think it may be considered next week, but there has been some implication that the measure which has come from the other House has been before a Senate committee for some time, and that its consideration has been delayed by the committee itself. Such implication is not in accordance with the facts.

Mr. MEAD. Mr. President, I wish to commend my distinguished colleague for his interest in the housing program. I feel that he has contributed considerably to the improvement in the housing situation, and I know from his record in the past that he will show real concern with regard to the proposed legislation which has been assigned to his committee for consideration. I wish it to be distinctly understood that I have made no reference whatever to the Banking and Currency Committee. I merely wished to leave the impression that in the Congress the matter has been neglected altogether too long.

Mr. WILEY. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield.

Mr. WILEY. The last statement of the Senator from New York causes me to rise. Does not the Senator believe that, as a matter of fact, most of the difficulty in relation to our failure to obtain production lies within the OPA?

Mr. MEAD. Mr. President, I disagree with my distinguished colleague with reference to his contention, and particularly as it pertains to housing. There are, of necessity, some adjustments which must take place during the reconversion period. However, it occurs to me that a free-for-all in the housing construction field would be a very serious mistake to make, and if OPA has contributed anything—and it has, in my judgment, contributed much—it has made a lasting contribution, a constructive contribution, and one which has held the line, particularly in the field of housing.

Mr. WILEY. I do not care to go into the general subject of the OPA, but I wish very definitely to say that houses cannot be built by passing legislation. Houses must be built out of lumber, out of brick, out of glass, and other materials which go into their construction. I believe that the evidence pretty well establishes that throughout the Nation the lumber industry has been unable to obtain an adequate price for finished lumber. The lumber industry can make more money by manufacturing and exporting rough lumber which is not the kind used in the construction of houses. Consequently we do not have the necessary finished lumber which is used in the construction of houses.

The same situation exists with reference to the production of other materials. Last night I heard a gentleman from the great State of Michigan tell of examples there of the production of materials, the

manufacturers of which have been waiting for months to be allowed to charge adequate prices for their products, and have been losing money in the meantime. In my own State, factories are closing down which could produce materials used in the building of homes; but the manufacturers cannot obtain a readjustment of prices.

I do not say that the OPA is 100 percent wrong. I say that there are too many square pegs in round holes in the OPA who do not appreciate the fact that we have entered into a period which calls for production.

Mr. MEAD. Mr. President, so far as the exportation of rough lumber is concerned, I am satisfied that the figures which have reached me indicate that the exportation of lumber is at a very low ebb, and that the importation of lumber exceeds the exportation by a great volume.

With reference to an increase in prices for all material men, I may say that, if we want the prices of houses to be out of line and completely out of reach of the veterans for whom I am speaking, all we need to do is to take off the lid. I want houses which will be moderately priced, and I want some control to be exercised over their construction, so that the returning veterans may enjoy living in them.

Mr. President, there must be immediate action. That is what I am clamoring for. I believe that, if the Senate were to meet 6 days a week, 12 hours a day, and had its committees working night and day, we would not be making the sacrifice we should make for our servicemen in view of the sacrifices which they have made for us.

I have said that there must be immediate action in regard to the housing program if we are to give the veterans the decent homes which they deserve after serving their country on the battle fronts of the world. The Nation demands action of the kind which our veterans deserve. It is up to Congress to give the Government the tools with which to do the job. If we are dissatisfied with the program which has been presented to us by the Housing Expediter, to do nothing is not the answer. The answer is to give the Housing Expediter a program which we believe is superior to the one which he has presented. But no program, Mr. President, is not the answer.

President Truman and Mr. Wilson Wyatt have laid down the lines for a bold program of action to meet the veterans' housing emergency. They are calling for emergency action by the Federal Government and by private industry so that homes which are needed may be built, and built fast. I believe it is clear that the overwhelming majority of the American people, and certainly our veterans, are firmly behind the program. I believe the same is true with reference to the press of the country.

Mr. President, we rose to great heights during the war. We amazed the world, and we certainly astounded our enemies by the great productivity of our industries. We can meet the present challenge, and we can make a greater record in the field of housing than has ever

been established before by this or any other country. The Truman-Wyatt housing program calls for starting the construction of 2,700,000 new homes and new apartments for veterans in 1946 and 1947. It is a big goal, far greater than any past housing production rate, but it is a minimum goal in terms of the desperate need for veterans' housing. Even with 2,700,000 additional homes and apartments for veterans in 2 years there will be more overcrowding and more doubling-up by the end of 1947 than there was last fall at the start of mass military demobilization. We will have made no dent in the huge job of replacing 10,000,000 slum flats and substandard shacks now located throughout the country. Mr. President, that is the magnitude of the challenge with which we are confronted.

Congress is completing action to provide funds for converting and moving 200,000 emergency temporary units for veterans and for their families under amendments which I have sponsored to the Lanham Act. That is an important emergency action, but there still remains the big job of providing legislative tools needed to stimulate the vast expansion in permanent housing construction which will be the only lasting solution to the present housing crisis. The task of stimulating permanent construction will require both emergency measures and the basic housing provisions of the Wagner-Ellender-Taft bill. I intend, also, to address the Senate on the importance of the far-reaching Wagner-Ellender-Taft bill.

I should like now to emphasize the importance of the emergency housing bill now before the Senate, on which hearings are scheduled to commence very shortly before the Banking and Currency Committee. The objective of the bill is to expand the building capacity, expand the materials capacity, and expand the labor capacity of the housing industry in order to produce 950,000 permanent houses in 1946, and 1,500,000 permanent houses in 1947. That would be the most rapid peacetime growth in the productive capacity of a major industry that this country has ever witnessed.

Mr. President, how will these emergency measures work? First, through priorities and allocations, financing aids, and other needed assistance the Wyatt program will aim for enormously increased housing production by existing builders and contractors, and by new organizations entering the on-site building field. Most of such building will be channeled into the lower-priced homes and lower-rent apartments which are needed by most veterans and most American families.

Second, through guaranteed markets, priorities and financing aids, conventional building will be supplemented. This will secure the additional housing production volume at the rate of 1,500,000 homes and apartments.

The emergency bill also is needed to fight inflation in housing prices and rents. On new homes and apartments for veterans, priorities and regulations will assure that sales prices and rents

are reasonably in line with actual current costs plus reasonable profits. As a supplement to rent control on existing apartments, we badly need measures to stamp out speculative resales of houses in the present dizzy inflationary housing market. Unrestrained inflation in housing sales prices would set back housing progress by a generation. A vigorous and successful fight against inflation is essential to achieve our emergency and long-range goals: decent homes within their means for all veterans and all American families.

Finally, there is the vital question of supplying the materials needed to build 1,500,000 houses a year. Only in part is the present materials bottleneck a result of reconversion maladjustments. To that limited extent, the bottleneck can be broken by incentive price increases, competitive price readjustments, and priorities assistance in securing needed equipment.

But much more than that is needed. To get materials for 1,500,000 houses a year, there must be capacity production of conventional building materials, capacity production of new materials, and increased capacity in many materials. We need the full output of small plants as well as large, of surplus war plants where they are adaptable to our needs, and of new facilities.

The emergency answer to these requirements is the Wyatt premium payments plan for increased production. Through this plan we can bring out the capacity output of individual plants without over-all price increases which would add greatly to the cost and price of homes for veterans. Through this plan, we can stimulate permanent expansion in the capacity of the building-materials industry, reach our building target for 1946 and 1947, and provide the necessary materials base for our long-range building program.

I think Congress should take quick action to provide these essential emergency aids for veterans' housing. The issue is clear-cut. Without the tools to do the job, we cannot expect to build 2,700,000 homes and apartments for veterans by the end of 1947. And without that production of housing, the shortage of decent homes for veterans will still be with us in even more acute form 2 years from now. I do not believe that Congress, the American people, or American veterans, can accept that prospect.

Mr. President, to show that this situation is widespread, to show that it is growing worse day by day, I wish to call attention to a number of telegrams and letters which I have received from returning servicemen and their families, from veterans' organizations throughout the country, from labor organizations, from civic organizations, from educational institutions, from public officials, from chambers of commerce, from business people, and from many other individuals and organizations. There are too many of them to incorporate in the RECORD at this time. My office has been deluged with mail from all over the country urging that immediate and effective steps be taken to provide homes and apartments: first, for our servicemen who are most seriously affected and the

ones who most deserve it; and, secondly, for those who were on the home front during the war, producing the planes, and the guns, and the tanks, and who likewise find it impossible to locate decent places in which to live. We are in the middle of a crisis; we cannot delay; we must act immediately.

Mr. President, I have here for incorporation in the RECORD some telegrams which I believe will be helpful to the Senate and to the committee considering the proposed legislation.

I have a telegram from Neil O. Churchill, the mayor of Bismarck, N. Dak.

I have a telegram from the Honorable William P. Firrey, mayor of the city of Paterson.

I have a telegram from Mayor F. O. Eichelberger, city manager of Dayton, Ohio.

I have one from Hon. Otis Massey, mayor of Houston, Tex. He says:

Houston needs immediately 25,000 additional homes. They are being built at the rate of about 750 per month. This should be stepped up to 1,500 per month. Material shortage is slowing down construction.

Here is a telegram from the mayor of Des Moines, Iowa, who pleads the cause of the veterans. He is Hon. John MacVicar.

Here is a telegram from the mayor of Charlotte, N. C., who says the housing situation is very critical in Charlotte.

I have a telegram from John J. McDonough, the mayor of St. Paul, Minn. He says:

We are experiencing a serious shortage in private dwellings and apartments, resorting to temporary housing.

I have here a telegram from the mayor of Oklahoma City, who says, "We have the usual scarcity of houses." He is R. A. Hefner.

I have a telegram from the mayor of Fall River, Mass., who says the housing situation is acute, and that immediate action is imperative.

Another telegram comes from J. R. Fleming, the mayor of Phoenix, Ariz.

I have a telegram from the mayor of Denver, Colo., who says the housing situation in Denver is acute.

I have here a telegram from George Garties, director, Cincinnati Municipal Housing Authority, in which he pleads for immediate action.

Here is a telegram from the mayor of Providence, R. I., Hon. Dennis J. Roberts.

Here is a telegram from the mayor of Toledo, Ohio, who says:

Situation is critical. Homes under construction being delayed because of shortage of materials, primarily lumber and plumbing.

Here is a long telegram from Mayor Roger D. Lapham, of San Francisco, who says:

Housing situation extremely critical. Attempting to service 200,000 increase in population over 1940 exclusive of military personnel with prewar facilities.

He refers to a backlog of 4,500 applications for dwellings on file at veteran service center. The situation there will be very serious shortly; in fact, it is very serious at the present time.

Mr. President, here is a very long telegram from the mayor of Hollywood, Calif., embracing about three pages. He explains the very serious situation that exists in that city.

Here is a telegram from Mayor John B. Gage, of Kansas City, Mo., in which he says:

Best estimate of need for veterans 4,800 units in 1946. Five thousand nine hundred and forty-two veteran applications for housing since September 17, 1945. Four hundred and ninety-five have been housed in housekeeping units, 427 in rooms. Applications now made at rate of 80 per day. Overall need, veteran and nonveteran, 19,000 units by 1950.

Then he proceeds to detail length of time when those units will be necessary.

Here is a telegram from Hubert H. Humphrey, mayor of Minneapolis, Minn. He begins by saying:

Minneapolis housing situation increasingly critical. Ten thousand veterans and families listed with war housing bureau in need of shelter.

They have "converted vacant public-owned facilities, schools, fire barns, and so forth." Mr. President, when it becomes necessary to convert public-owned facilities, including schools and fire barns, the situation is certainly very serious.

Here is a telegram from the mayor of Salt Lake City, Utah, and, like every other mayor, he says the housing situation in Salt Lake City is critical. "Help of Government through your bill (the temporary legislation) which will make 250 apartment units available at Salt Lake air base deeply appreciated." Then he proceeds to tell about the serious situation which confronts him as the mayor of that city.

Mr. President, I should like to have these telegrams incorporated in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., March 16, 1946.

HON. JAMES M. MEAD,  
United States Senator,

Washington, D. C.:

Re your telegram March 13. Bismarck needs four to five hundred new homes within next 3 years. Approximately 50 building permits issued since July 1945, but persons unable to obtain materials; severe shortage of lumber and plumbing materials. City has 50 trailer houses from Federal Public Housing Authority, but needs additional emergency units for housing returning veterans.

NEIL O. CHURCHILL, Mayor.

PATERSON, N. J., March 18, 1946.

JAMES M. MEAD,  
United States Senator,  
Senate Office Building:

Housing situation critical. Veterans pressing need. Applications have been filed with and approved by FPFA for 150 temporary housing units to be occupied by veterans. Municipal sites have been selected and we have been promised that these units would be erected early in April. Veterans' application for living quarters now exceed 500.

MAYOR WILLIAM P. FIRREY,  
City of Paterson.



DAYTON, OHIO, March 16, 1946.

HON. JAMES M. MEAD,  
*Senate Office Building:*

Housing situation Dayton acute. Applications for units totaled over 3,000, with 15,000 men yet to return from armed forces. Dayton allocated 311 units under your bill, but having difficulty financing off-site costs. Local government finances will not permit further off-site financing for new units to be allocated under new \$250,000,000 bill housing committee established. For further information advise.

F. O. EICHELBERGER,  
*City Manager.*

HOUSTON, TEX., March 15, 1946.

HON. JAMES M. MEAD,  
*United States Senator,**Washington, D. C.:*

Houston needs immediately 25,000 additional homes. They are being built at the rate of about 750 per month. This should be stepped up to 1,500 per month. Material shortage is slowing down construction.

OTIS MASSEY, *Mayor.*

DES MOINES, IOWA, March 15, 1946.

JAMES M. MEAD,  
*United States Senator,*  
*Washington, D. C.:*

Answering your telegram of March 13 re housing situation: Des Moines is in dire need of 6,000 dwelling units now. Veterans' center reports veterans of World War II living under deplorable conditions. We have labor but no materials. We have 971 possible units in permanent buildings released by the Army at Fort Des Moines 6 weeks ago. FPHA has promised to make 203 units available for the veterans. In Iowa cities cannot use any funds to help the housing situation. If FPFA could fix up the 971 units we could take care of Drake University GI students and our other veterans. If materials are made available we can work ourselves out of trouble in 2 years. The cost on a \$6,000 four-room house. One hundred fifty veterans' families are split with the wives living in other States. Seven hundred families are in deplorable situations. Eleven hundred are doubled up with children separated from the parents.

JOHN MACVICAR, *Mayor.*

CHARLOTTE, N. C., March 16, 1946.

JAMES M. MEAD,  
*Senator:*

Housing situation very critical. Awaiting transfer of Morris Field from Government when we can reconvert barracks under your bill. Thanks for your interest and help.

H. H. BAXTER, *Mayor.*

ST. PAUL, MINN., March 14, 1946.

JAMES M. MEAD,  
*United States Senator, Senate Office Building, Washington, D. C.:*

Retel we are experiencing a serious shortage in private dwellings and apartments resorting to temporary housing. Governor Thyne refuses special session State legislature. Cities of Minnesota without enabling legislation permitting us to share in benefits of Federal assistance, making every effort to induce home owners to share space with others, urgent need building materials be released.

JOHN J. McDONOUGH, *Mayor.*

OKLAHOMA CITY, OKLA., March 14, 1946.

JAMES M. MEAD,  
*United States Senator,*  
*Washington, D. C.:*

We have the usual scarcity of houses; however, permits have been issued and work started on approximately 900 new homes. In addition, work will start next Monday

morning on 355 apartment units to be converted from barracks now existing at Will Rogers Airport. These units will be rented to veterans exclusively.

R. A. HEFNER, *Mayor.*

FALL RIVER, MASS., March 15, 1946.

JAMES M. MEAD,  
*United States Senator:*  
Housing situation acute, immediate action imperative.WILLIAM P. GRANT, *Mayor.*

PHOENIX, ARIZ., March 14, 1946.

JAMES M. MEAD,  
*United States Senator, Washington, D. C.:*  
Housing situation in Phoenix very critical. Many veterans coming to this area due to climatic conditions. City has been allocated 150 units which is not even stopgap as four local housing projects and one immediately adjacent to city have over 3,000 applications from veterans alone.J. R. FLEMING, *Mayor.*

DENVER, COLO., March 14, 1946.

HON. JAMES M. MEAD,  
*United States Senator,*  
*Washington, D. C.:*  
Housing situation in Denver, Colo., is acute.B. F. STAPLETON, *Mayor.*

CINCINNATI, OHIO, March 18, 1946.

Senator JAMES M. MEAD:  
Re tel James Garfield Stewart, mayor of Cincinnati, instructs me to advise that the housing shortage in Cincinnati is acute, particularly for returning veterans. Planning commission estimates present housing supply short 6,500 units to meet veterans' needs. Costs that must be assumed locally in obtaining Government temporary units handicapping that program. Strongly recommend Federal Government assuming site improvement costs in connection with temporary units being supplied by Government.

GEORGE GARTIES,

*Director, Cincinnati Metropolitan Housing Authority.*

PROVIDENCE, R. I., March 16, 1946.

HON. JAMES M. MEAD,  
*United States Senator,*  
*Washington, D. C.:*

Acute doubling-up situation for roughly estimated 2,000 families of veterans, practically no new housing since 1941 other than 1,056 permanent FPFA public housing units in which first preference is given to veterans based upon 1940 census data private rental market above \$40 monthly shelter rent is exceedingly limited, no immediate relief in sight to any appreciable degree except through national emergency program and in enactment of long-range national and local and enabling legislation.

DENNIS J. ROBERTS, *Mayor.*

TOLEDO, OHIO, March 15, 1946.

JAMES M. MEAD,  
*United States Senator,*  
*Senate Office Building:*

In reply to your inquiry re Toledo housing situation, war housing center reports 2,000 applications, 563 placed as a result of doubling up. Toledo Real Estate Board no vacancies. Toledo metropolitan housing, 625 applications for temporary veteran housing units; 1,200 applications for apartments. Building permits issued since January 1, 129 units.

Situation is critical. Homes under construction being delayed because of shortage of materials, primarily lumber and plumbing.

MICHAEL V. DISALLE, *Vice Mayor.*

SAN FRANCISCO, CALIF., March 14, 1946.

HON. JAMES M. MEAD,  
*United States Senator,*  
*Washington, D. C.:*

Housing situation extremely critical. Attempting to service 200,000 increase in population over 1940, exclusive of military personnel, with prewar facilities. Backlog 4,500 applications for dwellings on file at veterans service center alone. Up to present conversion efforts being made to house only 420 of these veteran families. FPFA advises no Federal funds available this city under your resolution; technical reason. San Francisco Housing Authority anxious to proceed with immediate construction of six additional permanent housing projects. Statutory cost limitation on Federal grants to authority of \$5,000 maximum per unit prohibits this not realistic present day figure. Bids on Chinatown project brought low figure of \$6,250 per unit. Local authority endeavoring to have figure raised to meet present-day costs. Can't move until this done. Perhaps you can help; hundreds units private construction partially completed held up due to lack of materials. Private builders guarantee immediate completion and additional construction if material bottleneck is broken. Eliminate red tape in obtaining surplus materials now lodged in Government warehouses. Release them to private builders in sufficient quantities and I am assured the job will be done.

ROGER D. LAPHAM, *Mayor.*

HOLLYWOOD, CALIF., March 15, 1946.

Senator JAMES M. MEAD,  
*Senate Office Building,*  
*Washington, D. C.:*

Housing situation in Los Angeles and surrounding metropolitan area is growing more critical. Distressingly slow progress is being made in temporary emergency veterans housing project. This is due primarily to lack of materials. Situation could be corrected by proper priority set-up and better channeling of such building materials and fixtures as are available. We have done our part by providing local financing. Selection of adequate sites and have good city organization and management. However, only about 10 percent of quonset huts are under construction. At present rate first 100 units will not be ready for occupancy until about May 15, and then only by using plywood for partitions, which would create fire hazard and no soundproofing between units occupied by separate families. The principal need at the present time is sheet rock or plaster board for interior partitions. Applications of veterans with local housing authority have doubled during past month and applications for more than 10,000 veterans' families are now on file. We are prepared to let additional contracts but contractors report they have no assurance of materials. Following is situation other than veterans' temporary housing projects. There are between ten and twelve thousand houses in this immediate area in various stages of completion where construction is entirely stopped for lack of materials. Contractors report that such houses can only be finished by going into black market to purchase supplies. Despite this situation there is some new construction going forward which leaves inference as to questionable practices in matter of securing building materials. Lumber situation still tight, nails critical. Contractors contacted express much dissatisfaction locally in matter of handling of priorities. Belief expressed here that best method would be through Civilian Production Administration. Another serious situation exists as to shortage of furniture. This is third largest furniture manufacturing center in America but shortage of lumber and other materials

has so slowed up production that even when new housing units are available we may be unable to furnish them. Nonveteran demand for housing is increasing in proportion.

FLETCHER BOWRON,  
Mayor of Los Angeles.

KANSAS CITY, MO., March 14, 1946.  
Hon. JAMES M. MEAD,  
Senate Office Building,  
Washington, D. C.:

Best estimate of need for veterans, 4,800 units in 1946. Five thousand nine hundred and forty-two veteran applications for housing since September 17, 1945. Four hundred and ninety-five have been housed in house-keeping units. Four hundred and twenty-seven in rooms. Applications now made at rate of 80 per day. Over-all need, veteran and nonveteran, 19,000 units by 1950. Four hundred units under construction. HH priorities for over 1,200 have been issued by local FHA. Material shortage prevents further construction. Labor available.

JOHN B. GAGE, Mayor.

MINNEAPOLIS, MINN., March 14, 1946.  
Senator JAMES A. MEAD,  
Washington, D. C.:

Minneapolis housing situation increasingly critical. Ten thousand veterans and families listed with War Housing Bureau in need of shelter. Have converted vacant public-owned facilities—schools, fire barns, etc.—and have established a 107-unit trailer camp. Three hundred and fifty prefabricated, demountable houses promised by FPHA. Have applied for additional 500 units, but no assurance of acceptance of this application. Have staged extensive shelter-a-vet appeal to home owners. Despite vigorous and active program, housing problem extremely acute. Genuine hardship and suffering on part of thousands of veterans and families.

HUBERT H. HUMPHREY,  
Mayor.

SALT LAKE CITY, UTAH, March 14, 1946.  
JAMES M. MEAD,  
United States Senate,  
Washington, D. C.:

Housing situation in Salt Lake City critical. Help of Government through your bill, which will make 250 apartment units available at Salt Lake air base, deeply appreciated. Modification of Army rules to permit university students to live in unused barracks at Fort Douglas a splendid gesture. Forty percent of our enlisted Army and Navy personnel still to return, with absolutely no housing availabilities in Salt Lake City to come to. Cannot something be done to bring seriously needed construction materials into this area? Bad as situation is, I hope administration will move with great caution in connection with freezing construction materials for commercial enterprises. In my opinion, that would halt much commercial activity and wipe out certain important pay rolls. No man is going to start building a home if he has no job. We have organized to meet this serious emergency and are doing everything we possibly can in the premises.

EARL J. GLADE, Mayor.

Mr. MEAD. Mr. President, I also have here a number of letters. The first is from George W. Johnson, mayor of the city of Duluth.

There is also one from Hon. Carl O. Triebel, mayor of Peoria, Ill.

Another is from the city of Cedar Rapids, Iowa, Hon. F. K. Hahn, mayor. He says:

It is the consensus of opinion in this locality that the housing shortage will continue for several years.

I have another from Hon. John L. Bohn, mayor of the city of Milwaukee.

I have another letter addressed to me by Thomas F. Waldron, Director of the Board of Commissioners of the City of Trenton, N. J., dealing with the same subject.

I also have a letter from Hon. A. P. Kaufmann, mayor of St. Louis, Mo.

Another letter is addressed to me by the Honorable George K. Batt, mayor of the town of Montclair, N. J.

I have a letter from Hon. James T. Kirk, mayor of the city of Elizabeth, N. J., who says:

The city population is approximately 120,000, of which approximately 1,023 veterans have applied for housing facilities.

Total number of owners' listings received, 113.

Number of veterans' placements made through the veterans' assistance program, 37.

Number of veterans who obtained their own rentals, 28.

Number of veterans who purchased homes, 11.

Then he proceeds to say that approximately 1,028 veterans have applied for housing facilities.

I also have a letter from Bleecker Marquette, executive secretary of the Better Housing League of Cincinnati and Hamilton County, Inc., which is very interesting and illuminating.

I have a letter from Ralph W. O'Neill, mayor of the city of Youngstown, Ohio.

Mr. President, these letters and telegrams are but a few taken from many received by me from cities spread all across the United States. They reveal an ever-increasing emergency, which, if not corrected in the immediate future, will, in my judgment, develop into the most serious emergency housing situation that ever affected the Nation. I hate to contemplate what may happen in that event, Mr. President. I do not know what the veterans are going to do. It occurs to me that we will have to use every possible facility to avoid hardship and suffering, and we will have to exert all the energies and all the abilities at our command to bring out and to pass promptly the housing program which is now before Congress.

Mr. President, I believe the Senate ought to go on a 6-day schedule. I believe we should assign these bills to several committees so they may be studied quickly, so that hearings may be held simultaneously. I believe we ought to make it our goal to pass the entire housing program within the next 30 days and complete the temporary program, as well as the permanent program, and augment that program if necessary in order to reach and exceed if possible, the goal fixed by the present Expediter of Housing. Unless we do so I believe we will be treating the veteran unfairly. "Unfairly" is a very weak word. Probably a stronger word should be substituted for it. We will be treating the veteran in the rawest kind of manner. It will be a raw treatment in view of the sacrifices the veteran has made for us in the last several years. The veteran deserves better treatment. I am confident that the Senate will rise up and do its part in expediting this emergency program.

Mr. President, I have asked that the telegrams be printed in the RECORD as a part of my remarks. The letters of which I have spoken I ask to have referred to the Committee on Banking and Currency which is considering the housing situation.

The PRESIDING OFFICER. Without objection, the letters will be referred to the Committee on Banking and Currency.

Mr. MEAD. Mr. President, at a later date I shall discuss the pending Wagner-Ellender-Taft bill. I merely want to reiterate what I said in the beginning, which is that we should act upon the housing program and pass expeditiously and in a satisfactory manner the bills providing for it, so that the responsibility will rest with the executive department of the Government and not with the Congress of the United States.

#### CONTROL OF ATOMIC ENERGY

Mr. BALL. Mr. President, in the past few days the Senate has heard considerable discussion of the question, how atomic energy should be controlled. I should like to comment very briefly on what I think are significant aspects of that discussion, particularly as covered in the speech delivered yesterday by the Senator from Florida [Mr. PEPPER].

I am opposed to the military control of atomic energy domestically which I believe the original May-Johnson bill would have brought about. It is understandable that many Americans, misled into believing that the only choice for us is between that bill and S. 1717, the McMahon bill introduced last January, should prefer the latter, despite its complete disregard of security aspects of this issue. Fortunately, there is a sound, liberal solution which will assure fundamental civilian control of atomic energy and freedom of research, without disregarding the important national security aspects of this whole problem.

A clue to the real meaning and purpose of the somewhat confusing publicity recently on this issue is provided in two very significant paragraphs from the foreign-policy speech which the Senator from Florida [Mr. PEPPER] delivered in the Senate March 20. He insisted that such grave international issues as Iran, Turkey, and atomic-energy control must be settled not in the United Nations Organization where 51 nations participate and decisions are reached publicly after open discussion but by the "big three" alone. Speaking of atomic energy, the Senator from Florida said:

Let America therefore take the lead in proposing a resolution of this most dangerous of issues among the "big three."

This is the significant part Mr. President:

I would prefer that we should first, before the convening of such a conference, after calling on Britain and Canada to join us, destroy every atomic bomb we have and smash every facility we possess capable of producing only destructive forms of atomic energy.

The Senator continued:

Then we could go into the court of this conference with the cleanest of hands to talk about the future control of atomic power



for the purposes of peace and outlawing it for war.

What are the facts? Russia still has an estimated 10,000,000 men under arms, and her armies are occupying Iran in violation of a treaty and threatening Turkey. No one knows what secret weapons Russia has developed or is producing behind her iron curtain of isolation. On the other hand, the United States has demobilized so rapidly that our Navy, Army, and Air Force are declared by our own military leaders to be relatively impotent today. What the Senator from Florida proposes is that we strip ourselves of the only real military power we still possess, the atomic bomb, and then confer with Russia about future security and peace. We might enter such a conference with clean hands, but I submit we would enter it committed in advance by our own impotence to a policy of appeasement.

The original McMahon bill would, in my opinion, have brought about nearly the same situation as that proposed by the Senator from Florida although by an indirect method. I understand this bill already has been considerably modified in committee. But in its original form, the McMahon bill, under the guise of assuring civilian control, would have stripped our military forces of anything whatever to do or say about atomic weapons. The military could not even have used an atomic bomb for experiment and training except by specific direction of the President, presumably to be given only in the event it became necessary to drop a bomb. This, in my opinion, would be as suicidal for American security and peace as the course advocated by the Senator from Florida.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. McMAHON. I rather think the Senator from Minnesota is in error in his interpretation of the bill as originally presented. I do not want to enter into a detailed discussion of it now. I do not have before me a copy of the bill as it was originally introduced. I simply want to file a caveat, as it were, at this point in the Record, that I do not agree by a long shot with the Senator's interpretation as to the exclusion of the military, as is claimed, in the original provisions of the bill, which, as the Senator knows, has been modified in committee.

Mr. BALL. The Senator is entitled to his interpretation. I am interpreting the bill as I read it when it was originally introduced.

Mr. President, there is in America a Communist Party, small in numbers but extremely potent in public propaganda and operating within literally scores of supposedly liberal "front" organizations. Any person reading the propaganda of this party and its front organizations and comparing it with the actual facts, cannot escape the conviction that their position on international issues is dictated by a desire to see Russian aims and objectives rather than American aims prevail throughout the world. They were in the forefront of the demand for too-speedy demobilization, which has left us relatively impotent in Europe,

Asia and the Middle East. Now, they are all beating the drums for the original McMahon bill, and are making unjustified charges of "fascism" about the so-called Vandenberg amendment, adopted 10 to 1 by the Senate's special atomic energy committee. This amendment, as explained the other day on the floor of the Senate by our distinguished colleague from Michigan [Mr. VANDENBERG], merely provides for a military liaison committee to make recommendations to the civilian control commission on national security issues and, if it feels it necessary, to carry such issues to the President for final decision. The liaison committee would have absolutely no "control" and no power to act. It could not even delay actions by the civilian commission when it opposed them. Mr. President, that seems to me to be the absolute minimum for national security on this tremendously vital issue.

If this Communist Party line, which seems to have such widespread support among groups which I am sure have not thought through its implications, should become American policy, then we would be placed in exactly the same position Britain was in before Munich—forced by our own military weakness to appease any powerful aggressor who might threaten world peace. That sort of situation could easily set the stage for World War III just as appeasement at Munich set the stage for World War II. I believe that all Americans want to find a basis for peaceful cooperation with Russia, but I also believe that it is essential for peace that the cooperation be a two-way street.

Mr. President, in support of that contention I should like to quote no other authority than the distinguished Senator from Florida [Mr. PEPPER] himself. Speaking on the floor of the Senate on August 22, 1940, during a discussion of the Burke-Wadsworth conscription bill, the Senator from Florida attacked a pamphlet issued by the Communist Party of Florida, Albert Lopez, chairman, which said among other things that—

The Burke-Wadsworth bill means Hitlerism for America.

Young men are torn from their jobs, their families, and sent to the Army and labor camps.

The Senator from Florida said:

Is that an expression of a conscientious sentiment harbored in the heart of a frightened mother, or is that the sinister influence from Moscow across the sea, reaching into our own land, trying to paralyze our own defense for their own and not our gain?

I continue to quote the Senator from Florida:

So, Mr. President, there are instances in which persons have been unwittingly, no doubt—just as certain persons are unwittingly carriers of deadly germs—the carriers of pernicious propaganda that tends to destroy the body politic and the body economic and the body national here upon this continent.

Mr. President, it will be noted that that was in August 1940, at a time when our later ally had a nonaggression pact with Hitler. Of course, at that time the party line of the Communists in this country was to oppose to the limit every effort

to get America prepared. I think the Senator from Florida was absolutely correct in characterizing the position taken in 1940 as propaganda adopted by Moscow for its own purposes, and not for American purposes. Unfortunately, he does not seem to recognize the same sort of propaganda foisted upon the American people at this time for exactly the same purpose—to make America so weak and impotent that we shall have no alternative but to appease any aggressor.

Big Three domination of the world, with the UNO relegated to a minor role as sort of window dressing, will no more assure peace than will temporary appeasement of some powerful aggressor at the cost of international justice and principles. The United Nations Organization, where the rights of smaller nations can be given a full hearing before the bar of world public opinion, is the agency which should seek the solution of all these issues threatening peace, including Iran, Turkey, the Far East, and control of atomic energy. I shall support the solution of international control of atomic energy through the UNO Commission which I am glad to see the administration is now assisting in establishing; and I shall support supplying the UNO with armed forces as provided in the Charter, but until it has such forces and we are sure they are sufficient to maintain peace, it would be folly for us to disarm or to strip ourselves of the one remaining great reservoir of essential power which we still have.

Mr. President, again I quote from the distinguished Senator from Florida who did not seem to favor Big Three domination or great power domination of the world in 1940. Speaking on this floor on February 13, 1940, questioning our late colleague Senator Adams of Colorado, the Senator from Florida had this to say:

Does the Senator think it would aid American economy, particularly the export business of the United States, if such nations as Russia should gobble up the little nations of Europe?

Later he had this to say:

Does not the Senator recognize that the kind of world this is to be is, to a considerable extent, to be determined by settling the question of whether or not the sort of thing Russia is now doing to Finland may be carried on with impunity in what purports to be an orderly and civilized world?

Mr. President, I can see no difference whatever in principle between what Russia did to Finland in 1940 and what she now seems to be doing to Iran and Turkey.

To return to the subject of the control of atomic energy, there are five objectives in atomic-energy control on which I believe most of us could agree. They are:

First. That Government control of production and development in this tremendously important field to set up by legislation as soon as possible, so as to resume the progress in research which has come to a standstill because of the lack of legislation.

Mr. McMAHON. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield to the Senator from Connecticut.

Mr. McMAHON. I feel that the Senator is in error when he says that progress in research has been stopped for want of legislation. It is true that a good deal of scientific progress and research has come to an end, but it is not because we have not enacted legislation. It is because of the military control of the project and the type of regulations which have been issued. I am telling the Senator what the scientists have told the committee and have told me individually. They say that that is the kind of thing under which they cannot work in peacetime. The reason we have some of them left is that there is some hope on the part of those who remain that we shall be able so to operate this project—not under the kind of security regulations and compartmentalization under which it has been operated—as to let it proceed. I am neither defending nor accusing. I am only telling the Senator what has been told to the committee and to me personally and individually.

Mr. BALL. I thank the Senator. I certainly hope that his more optimistic picture is correct. I was merely going on the basis of statements which I have seen, from the Senator from Connecticut and from various scientists, to the effect that research progress was pretty much at a standstill largely because of the uncertainty as to what Congress was going to do. I know that work is still being done on the Manhattan project.

Mr. McMAHON. That, I may say to the Senator, is the explanation which has been given by certain sources which are interested in the bill. All I am trying to tell the Senator is that those who invented the bomb, and the engineers and industrialists who made the bomb, have told us what I have repeated to the Senator. We should not forget that the bomb was invented by scientists and produced by industrialists and engineers. The Army acted in a managerial capacity. It provided protection against espionage, for one thing, and provided a procurement service for another. That was the place of the Army in the project.

Mr. BALL. The Senator will agree, will he not, that the Army also dropped the bomb?

Mr. McMAHON. Oh, yes. The Army also dropped the bomb; but it had to get it made first.

Mr. BALL. That is true.

Mr. McMAHON. I simply wish to point out to the Senator that if we rely on men for whom I have the greatest and highest respect, let me reiterate—General Eisenhower and Admiral Nimitz, great Americans that they are, or President Truman, or the Senator from Michigan [Mr. VANDENBERG]—to produce bombs, we shall not get any bombs produced. We must depend upon the scientists, the engineers, and the industrialists who have produced them in the past. We must not forget that.

Mr. BALL. Mr. President, I have no quarrel with the statement of the Senator from Connecticut.

It seems to me that the second objective in respect to atomic-energy control on which I believe most of us could agree is that the Federal Government, through a civilian commission, should control all fissionable materials, their production,

and, through licensing and allocation powers, their use in research, industry, and in the development and production of atomic weapons.

The other objectives which I have in mind are as follows:

Third. That fundamental research, as distinct from applied research, should be completely free, with scientists free to publish their findings.

Fourth. That security precautions on atomic weapons continue until safe international controls may obviate their necessity, and that there should be joint military and civilian control and direction of atomic-weapon research. Let me add here that I think the Vandenberg amendment is a minimum of safeguard for the security aspects of this problem.

Mr. McMAHON. Mr. President, will the Senator further yield?

Mr. BALL. I yield.

Mr. McMAHON. Is the Senator unaware of the fact that under the bill, as I originally introduced it, the Army and the Navy were given the right to conduct all the experiments they wished to conduct?

Mr. BALL. I did not read the bill that way.

Mr. McMAHON. Then I ask the Senator to read it again.

Mr. BALL. Fifth, Mr. President, it seems to me that most of us could agree on the following objective: That the United States should vigorously support and lead in the efforts of the UNO Atomic Energy Commission to develop a safe method for international control of this destructive force. We have at last appointed our delegate on this commission, and it is to be hoped we will speed up its deliberations as much as possible. It is my conviction that the only practical solution internationally lies through the UNO, not through any Big Three control such as the Senator from Florida [Mr. FEPPER] envisages.

Mr. President, because of my strong opposition to the type of control of atomic energy proposed in the May-Johnson bill, I introduced a bill on this subject, Senate bill 1557, on November 6, 1945, embodying the first four objectives stated above. Although a great many scientists with whom I discussed the subject endorsed that bill, the Senator from Connecticut [Mr. McMAHON] did not see fit to give it any serious consideration in his committee. It now appears that the majority of the special committee are rewriting the McMahon bill to conform largely to these objectives. If that is done, I certainly shall support the committee bill on the floor of the Senate.

#### INVESTIGATION OF THE COURTS-MARTIAL SYSTEMS OF THE ARMY AND NAVY

Mr. MORSE. Mr. President, I wish to make a few brief comments in regard to two resolutions pending before the Senate.

On November 26, 1945, I submitted Senate Resolution 195, calling for an investigation of the courts-martial systems and the places of incarceration of military prisoners on the part of both the Army and the Navy.

On January 29, 1946, the senior Senator from Nevada [Mr. McCARRAN] sub-

mitted Senate Resolution 216, calling for a similar investigation by the Judiciary Committee; but to his resolution was added a proposal for an investigation of the establishment of a military government in Hawaii.

I wish to say, Mr. President, that I do not think it matters a great deal what committee conducts the investigation, although for the RECORD, and in passing, I think it should be pointed out that, under my resolution, Senate Resolution 195, the committee would have been composed of three members of the Military Affairs Committee, three members of the Naval Affairs Committee, and three members of the Judiciary Committee. In other words, it would have been a special committee. I think that the Military Affairs Committee and the Naval Affairs Committee should be, by means of having three members of each of those committees on the special committee, in constant contact with any investigation of courts martial which might be conducted by a committee of the Senate.

I think it is also interesting to note that Senate Resolution 216, introduced by the distinguished Senator from Nevada, seeks to accomplish exactly the same thing which I sought to accomplish by my resolution, and, furthermore, Mr. President, that under the terms of my resolution there could have been, it seems quite obvious to me, an investigation of the military government in Hawaii. However, if the Senate determines that it should decide to the contrary, I should be very happy to accept the language in regard to an investigation of the establishment of military government in Hawaii encompassed in the resolution submitted by the Senator from Nevada. I suppose that note might be taken of the fact that if the investigation were conducted by the Judiciary Committee, the introducer of Senate Resolution 195, the present speaker, would not or could not be a member of the committee serving under the resolution coming from the Judiciary Committee because I do not happen to be a member of that committee. But I do happen to be a member of the Naval Affairs Committee. I also understand that it is not uncouth to have sound Republican suggestions encompassed in resolutions adopted under a Democratic administration. That is also all right with me, Mr. President, except I wish to keep the record straight.

What I do wish to raise my voice in plea for is that the Senate proceed with an investigation of the courts-martial systems of the Army and the Navy and the penal practices of the Army and the Navy. I have said before on this floor, and I now repeat, that they are rife with rank injustice. The Army and the Navy are making haste, I observe, to seek at least to make a record for themselves, before the type of investigation which I have called for proceeds. I note both of those establishments are seeking to set up their own committees of investigation and are calling upon distinguished American citizens and associations to help them with that investigation. I applaud them, although I think their efforts are somewhat belated. For example, the Army has called upon the American Bar Association to set up a committee to pro-



ceed with an investigation of the courts-martial system of the Army. I think that is fine; but it is not enough, and it does not remove from this body the responsibility of conducting an official governmental investigation by the Senate of the injustices of the courts-martial system of the Army. If a committee such as the one I propose is set up, I am sure it will welcome wholeheartedly the full support of any committee set up by the American Bar Association, and I have said so in a letter addressed to both the Under Secretary of War, Mr. Royall, and the President of the American Bar Association.

But, Mr. President, I do not propose to be placed in a position where the Army or the Navy can substitute an investigation of their own—a self-investigation by the Army or by the Navy, I care not what procedure they adopt—for what I consider to be the clear obligation of this body to proceed without greater delay to a thoroughgoing investigation of the courts-martial systems and the penal practices of the Army and the Navy.

Once before, I said that I have yet to talk to a lawyer who was an officer in the recent war and who held a Reserve commission who had anything to do with the courts-martial system but what he has said to me, "Press for an investigation under that resolution. Something must be done to clear up the injustices inherent in the courts-martial systems and penal practices of the Army and the Navy."

Mr. President, I hope the Senate will see fit to proceed under Senate Resolution 195. With summer approaching and with talk of an early adjournment of this body, I think the time of a special committee of the Senate, appointed in accordance with the provisions of Senate Resolution 195, could well be spent during the summer months, in the interests of American justice, in proceeding with the type of thoroughgoing investigation of the Army and Navy practices against which I have heretofore protested.

Whether it is done under Senate Resolution 195—and I would suggest that certainly as a matter of priority and parliamentary courtesy it should be done under it—or whether it is done under the so-called McCarran resolution, Senate Resolution 216, I say let us do it; let us delay no longer; let us make perfectly clear to the Army and Navy of the United States that we, as the duly elected representatives of the people of the United States, intend to see to it that a thoroughgoing investigation of the alleged injustices of the courts martial practices of the Army and the Navy and of their penal practices will be made and that all such injustices will be brought to light and to the attention of the American people.

Not only our veterans in past wars, but our veterans in any future war are entitled to no less. Certainly those men, whatever their number may be, who are today languishing in military prisons as a result of injustices, and as a result of what I have heretofore said were arbitrary practices on the part of certain men with brass on them, are entitled to our immediate attention. I hope that

the veterans' organizations of this country which have been writing to me about the matter will continue to press for justice for veterans who have been done injustices under a court martial and penal system which I am satisfied any fair investigation will show is archaic and outmoded.

We, as United States Senators, should not permit the Army or the Navy to continue any longer practice, which will not stand the test of a fair and impartial investigation by a committee of this body, supplemented and aided by any committee of the American Bar Association or any other association which the Army or the Navy would like to have assist us in making such an investigation.

Mr. KNOWLAND. Mr. President, I should like to commend the able Senator from Oregon, who has been carrying on a fight for an investigation of the court-martial system of the Army and the Navy. I think the men in the armed services, including both officers and enlisted men, should, and would, welcome such an investigation.

I have stated before and wish to reiterate now, that if the War Department and the Navy Department have not yet modified their court-martial systems they should do so, because we are still technically in a state of war, and according to the last information which has come to me men are being tried for what, in normal times, would be considered mere misdemeanors, and sentences are being and have been pronounced which are far more severe than they should be. I hope that the distinguished and able Senator from Oregon will continue his fight.

#### LEAVE OF ABSENCE

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that I be allowed to be absent from the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, leave is granted.

#### EXECUTIVE SESSION

Mr. PEPPER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate, messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Sam E. Richardson, of St. Johnsbury, Vt., to be collector of internal revenue for the district of Vermont, with headquarters at Burlington, Vt., to fill an existing vacancy; and

Henry V. Schwalbach to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis. (Reappointment.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### FOREIGN SERVICE

The legislative clerk read the nomination of Lt. Gen. Walter Bedell Smith to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Cecil Wayne Gray, of Tennessee, to be foreign-service officer of class 1.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTER

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. PEPPER. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc; and, without objection, the President will be notified at once of all confirmations of this day.

That completes the Executive Calendar.

#### RECESS

Mr. PEPPER. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 22, 1946, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate March 21 (legislative day of March 5), 1946:

##### COMMISSIONER OF THE DISTRICT OF COLUMBIA

John Russell Young, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years, and until his successor is appointed and qualified. (Reappointment.)

##### FEDERAL COMMUNICATIONS COMMISSION

Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1945, vice William Henry Wills, deceased.

##### TEMPORARY APPOINTMENT IN UNITED STATES COAST GUARD

Capt. Louis W. Perkins, United States Coast Guard, to be appointed a commodore for temporary service in the United States Coast Guard to rank from the 16th day of March 1946, while serving as commander, North Atlantic Ocean Patrol, or in any other assignment for which the rank of commodore is justified, pursuant to the provisions of an act of Congress approved July 24, 1941 (Public No. 168, 77th Cong.).

##### PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

###### MEDICAL CORPS

###### To be lieutenant colonels

Maj. Stuart Gross Smith, Medical Corps (temporary colonel), with rank from April 1, 1946.

Maj. Lester Maris Dyke, Medical Corps (temporary colonel), with rank from April 24, 1946, subject to examination required by law.

*To be majors*

Capt. William Titus Sichi, Medical Corps (temporary lieutenant colonel), with rank from April 3, 1946.

Capt. James Goree Moore, Medical Corps (temporary colonel), with rank from April 3, 1946.

Capt. Robert LaShore Callison, Medical Corps (temporary colonel), with rank from April 4, 1946.

Capt. William Donald Graham, Medical Corps (temporary colonel), with rank from April 7, 1946.

Capt. Eugene Coryell Jacobs, Medical Corps (temporary lieutenant colonel), with rank from April 10, 1946.

## DENTAL CORPS

*To be major*

Capt. Charles Joseph Cashman, Dental Corps (temporary lieutenant colonel), with rank from April 1, 1946.

## CHAPLAIN

*To be major*

Chaplain (Capt.) John Thomas Kilcoyne, United States Army (temporary colonel), with rank from April 18, 1946.

## APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

## TO QUARTERMASTER CORPS

Lt. Col. George Huston Bare, Infantry (temporary colonel), with rank from September 4, 1943.

## TO ORDNANCE DEPARTMENT

Capt. Harry Cecil Porter, Field Artillery (temporary colonel), with rank from June 10, 1942.

Capt. Corwin Paul Vansant, Infantry (temporary colonel), with rank from June 13, 1943.

First Lt. Merten Kenneth Helmstead, Infantry (temporary lieutenant colonel), with rank from July 3, 1940.

First Lt. Edmund Whritner Miles, Infantry (temporary colonel), with rank from June 12, 1939.

## TO SIGNAL CORPS

Capt. Ralph Doak McKinney, Infantry (temporary lieutenant colonel), with rank from June 12, 1944.

## TO INFANTRY

First Lt. William Roscoe Kintner, Coast Artillery Corps (temporary lieutenant colonel), with rank from June 11, 1943.

## POSTMASTERS

The following-named persons to be postmasters:

## ILLINOIS

Lee L. Herrin, Herrin, Ill., in place of O. W. Lyerla, resigned.

John Q. Rose, La Prairie, Ill. Office became Presidential July 1, 1945.

## INDIANA

Hubert P. Warren, Cortland, Ind. Office became Presidential July 1, 1945.

## NEW HAMPSHIRE

Benning W. Noyes, Salem Depot, N. H., in place of D. E. Stevens, resigned.

## OHIO

Hilbert H. Martin, Middletown, Ohio, in place of Roy Newlin, resigned.

## OKLAHOMA

Lee Kennedy, Broken Bow, Okla., in place of Lee Kennedy. Incumbent's commission expired June 23, 1942.

Samuel L. Billingsley, Marietta, Okla., in place of O. B. Autry. Incumbent's commission expired June 23, 1942.

## PENNSYLVANIA

Margaret T. Morganti, Morgan, Pa. Office became Presidential July 1, 1943.

Edith E. Tritt, Shiremanstown, Pa., in place of J. B. Cassidy, resigned.

Laura E. Coughenour, Isabella, Pa., in place of N. J. Angelo, resigned.

Harry F. Alken, Brookville, Pa., in place of W. T. Means, resigned.

Elizabeth I. Unger, Muir, Pa., in place of W. W. Tallman, resigned.

Evelyn McCarty, Beallsville, Pa., in place of W. A. McCarty, resigned.

## WASHINGTON

Warren Lincoln, Shelton, Wash., in place of J. A. Knight, retired.

## WISCONSIN

Harriet V. Kenyon, Mellen, Wis., in place of I. A. Kenyon, deceased.

## CONFIRMATIONS

Executive nominations confirmed by the Senate March 21 (legislative day of March 5), 1946:

## FOREIGN SERVICE

Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

Cecil Wayne Gray, to be foreign-service officer of class 1, in the foreign service of the United States of America.

## POSTMASTERS

## ARKANSAS

Bobby R. King, Mount Vernon.

## DELAWARE

John B. Counsellman, Houston.

## GEORGIA

Velvie Holcomb, Tate.

## ILLINOIS

Edith A. Wagoner, Cropsey.

## MICHIGAN

Leonard L. Feuerstein, Chesaning.

Alma Hill, Covington.

Margaret J. Hoffman, Munith.

A. Spalding Friedrich, Traverse City.

## NORTH CAROLINA

James E. Paschall, Manson.

## OHIO

Lauris D. Glass, Alpha.

Lucy M. Dye, East Springfield.

Robert G. Clark, South Vienna.

## PENNSYLVANIA

John C. Clouse, Rimer.

## TENNESSEE

Jona R. Clark, Haydenburg.

Luther G. Coulter, Sale Creek.

## VERMONT

Corydon W. Cheney, Sharon.

## HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 21, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal source of light, show us the path that is full and free that we may be strong and wise in our decisions. Be Thou our Lord of sincerity and truth and the revelation of our unspoken longings. We pray that the deliberations of the Congress may be for the honor and safety and welfare of every section of our land, that all may find the way and walk with Thee in the paths of peace and good will. Most earnestly we pray, not for the thought of war—war which has fastened

its bitter fangs in our memories—but to lift us out of that decadent period, proclaiming a warless future. Remove from every eye the film of fear and dismay, and arrest the talk that gives utterance to shattered hopes and trust. Help us to redeem these days by a wise, daring courage, not wandering in the wilderness of doubt but filled with determined self-control and a vision of truth that no wrong can crush and no power can defeat. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## EXTENSION OF REMARKS

Mr. RYTER asked and was given permission to extend his remarks in two instances; in one to include an article by Dr. Raphael Lampkin, and in the other to include a radio address delivered by Mr. Ryter.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and to include a citation.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and to include a letter from the Comptroller General of the United States.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and to include editorials.

Mr. ELLIS asked and was given permission to extend his own remarks in the RECORD and include a letter.

## INTERNATIONALISM AND A BALANCED BUDGET

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, Members of Congress are clothed with certain responsibilities that many private, honest, and patriotic citizens do not have upon their shoulders. Recently an eastern college president, probably a superinternationalist, came to my office. He proceeded to talk about what he wanted to talk about, giving his views relative to many important questions. He told me we ought to have the largest navy in the world; we should have the largest army in the world; we should insist on having the largest air force in the world; that we should spend billions of dollars for the scientific development of the atomic bomb. He also favored UNRRA to feed the starving people of the world as well as lend-lease. He also favored loans to Great Britain, Russia, and other countries. Above everything else he insisted we should have peacetime military conscription.

We talked a few minutes about other important matters of vital interest to the people of our Nation. Finally, I brought to his attention hundreds of letters I had received in regard to balancing the Budget and having Congress to live within its income. He threw up his arms and he said, "Of course, Congressman, we all admit that."



The **SPEAKER**. The time of the gentleman from Illinois has expired.

#### EXTENSION OF REMARKS

Mr. **PHILLIPS** (at the request of Mr. **HILL**) was granted permission to extend his remarks in the **RECORD** and include a poem.

Mr. **JARMAN** asked and was given permission to extend his remarks in the **RECORD** and include two newspaper excerpts.

Mr. **MARTIN** of Massachusetts asked and was given permission to extend his remarks in the **RECORD** and include a letter from the county agent of Bristol County.

Mr. **REED** of New York (at the request of Mr. **MICHENER**) was granted permission to extend his remarks in the **RECORD** in two instances; in one to include some statistics, and in the other an editorial.

Mr. **PATMAN** asked and was given permission to extend his remarks in the **Appendix of the RECORD** on three subjects and to include certain statements.

Mr. **MICHENER** asked and was given permission to extend his remarks in the **RECORD** and include a statement from a newspaper.

Mr. **MURDOCK** asked and was given permission to extend his remarks in the **RECORD** and include a letter from a constituent.

#### BRITISH LOAN

Mr. **RICH**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. **RICH**. Mr. Speaker, I want to read a letter I have received from Arkansas:

MARCH 16, 1946.

Representative in Congress Hon. Mr. **RICH**,  
Washington, D. C.

DEAR SIR: Congratulations to you for saying what you did about the loan to Britain. If our Nation would tell Churchill and all the rest of that bunch of English moochers to go jump in the lake, we would be saved a lot of money and future bloodshed. Why does our Nation continue to play the part of the cat, in the story of the cat, the monkey and the chestnuts, to England? Hasn't she handed us enough dirty deals in the past? Stand your ground. Any time England is interested in us it is a selfish deal. Tell my Democratic friends in Congress that this is the way our folks back home feel about this.

Very truly,

P. S.—I am a Democrat, too.

The **SPEAKER**. The time of the gentleman from Pennsylvania has expired.

#### NEED FOR DAYLIGHT-SAVING TIME

Mr. **FULTON**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. **FULTON**. Mr. Speaker, to assist in preventing starvation abroad and in-

crease domestic garden food production by giving an extra hour to continue the victory-garden program, I have introduced a bill today for national daylight-saving time beginning the last Sunday of April and ending the last Sunday of October 1946.

Since September 25, 1945, when the United States gave up daylight-saving time, the date of the approval of H. R. 3974, a lot has happened, and a greater realization has come to the country concerning the terrible conditions and starvation abroad.

We Congressmen who spent several months in Europe last year realized the urgent needs and the times ahead.

This extra hour each day will provide extra food and save urgently needed coal for assisting our good allies and those in need the coming winter. It is little enough for the American people to give up 1 hour's sleep to help combat the deaths by starvation of 3,000,000 people in India and five to eight million people in China, as well as those impoverished starving millions of Europe.

The time and hour for patriotic devotion and sacrifice has not passed, as we Americans realize fully.

#### DAYLIGHT-SAVING TIME

Mr. **BENNET** of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. **BENNET** of New York. Mr. Speaker, I am glad to rise in support of the legislation proposed by the gentleman from Pennsylvania [Mr. **FULTON**].

In my part of the country, as elsewhere, the farmers do not like daylight saving, but on the other hand they have uncomplainingly accepted it along with other things which have been felt to be necessary in the prosecution of the recent war and in the struggle to keep our armed forces, our civilian population, and our allies, properly fed.

In my judgment they will patriotically support a continuance of daylight saving provided they are convinced that by so doing they will be able to play a larger share in the great effort which our country is making to help starving millions abroad.

Objections to this great humanitarian project do not come from the farmers who have to do the work, but rather from a few consumers who are merely asked to make a little reduction in what is today, as always, the world's best balanced and most abundant diet.

#### OMNIBUS CLAIMS BILL

Mr. **PITTENGER**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. **PITTENGER**. Mr. Speaker, I want the **RECORD** to show the situation as far as one member of the Committee

on Claims of the House of Representatives is concerned with reference to House procedure. We adopted some rules, and one of them provided for the hearing or consideration of omnibus claims bills on certain occasions. This rule has been more honored in the breach than in the observance. I think it is about time we proceeded to follow the rules.

I see the distinguished majority leader here and I am very glad of that. I hope when the time comes that the House with the approbation of our beloved majority leader may be permitted to consider the omnibus bills.

Mr. **MCCORMACK**. Mr. Speaker, will the gentleman yield?

Mr. **PITTENGER**. I yield with pleasure.

Mr. **MCCORMACK**. The gentleman is certainly possessed with mystic powers, because—the gentleman from Minnesota did not know it—I had just consulted with the distinguished minority leader about that very thing and I was going to ask unanimous consent that on Monday next one of the omnibus bills be in order for consideration. So I congratulate my friend on his mystic powers.

The **SPEAKER**. The time of the gentleman from Minnesota has expired.

#### DAYLIGHT-SAVING TIME

Mr. **RAMEY**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. **RAMEY**. Mr. Speaker, I am happy to support the resolution of the gentleman from Pennsylvania [Mr. **FULTON**] and concur in his judgment. It was a privilege to be with him for 37 days visiting the distressed countries he mentioned. I personally know he went to the bottom of mines, to the factories, to the peasant farms; that he did like the rest of us, study with the GI's and with the laboring folks instead of going to places where there was luxury.

Mr. **GROSS**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. **GROSS**. Mr. Speaker, I am surprised, amazed, and somewhat humiliated when these city Members come along here and try to spring daylight-saving time on the country again in the name of feeding the starving hordes of the world. They would not do it if they knew any better. They mean well but how little they know. I know they pity the starving. So do I. So do the farmers of the Nation. But do not spring daylight-saving time on us, forcing us out early in the morning when the ground and the plants are wet with dew, when we cannot go ahead. The farmer must go along in the morning, in the evening he must quit early or lose a lot of valuable time or work several hours overtime

which his help will not do. It means less production.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No.

I want to say to the Members of this House and to these poor deluded men who want daylight-saving time not to try it. Forget about daylight-saving time and make it possible for the farmer to raise crops.

I am thoroughly disgusted with all this sympathy for the farmers that comes from the city. We do not need the city sympathy. All we want is to be let alone and raise crops. If we are let alone, given equipment, help, and fair prices; we will raise crops enough to feed you folks in the city and all the rest of the world, but let us alone. If you bring a daylight-savings bill in here you will get into the damndest dog and cat fight you ever saw with the farmers of this country. We pity you enough to feed you if you will just let us do it.

#### THE ATOMIC BOMB

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under the rules of comity between the two Houses, a Member is not permitted to mention the name of a Member of the other body; but I think the world ought to know that when a Member of that body on yesterday advocated destroying all our atomic bombs and all the machinery to make them, and then giving the secrets, or as the President calls it, the "know how" of making them, out to the world, in my opinion, he did not speak for the American people; and he certainly did not speak for this branch of the American Congress.

Everyone knows that we are not going to use the atomic bomb to destroy civilization. The best thing we can do is to keep quiet, keep the secrets of the atomic bomb, keep our machinery ready, keep all the bombs we have, and give the world to understand that we want peace, and that we are going to have it.

The SPEAKER. The time of the gentleman from Mississippi has expired.

#### AN AMERICAN POLICY FOR PEACE AND A NEW WORLD

Mr. DE LACY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DE LACY. Mr. Speaker, yesterday I had the privilege of listening to one of the most distinguished Members of the United States Senate deliver a brilliant speech for peace, an appeal to the world, an appeal to all the peoples of the world and the nations of the world to understand and to see each other's problems. Courageously stripping the mask off the "new atomic isolationism," the able southern Senator discussed the se-

curity problems and the economic and political necessities of each nation. He urged an end to fear and suspicion and the elimination of the underlying causes of international misunderstanding.

It was a brilliant speech and I do not think it is fitting to have a small portion of it taken up and distorted on this floor when the message was for peace, for understanding, for security, and for the prosperity of all the peoples of the world.

#### EXTENSION OF REMARKS

Mr. O'HARA asked and was given permission to revise and extend his remarks in the Record and include a letter.

Mr. FLANNAGAN asked and was given permission to extend his remarks in the Record.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the March 9, 1946, program, Our Foreign Policy, of the National Broadcasting Co., which includes the debate on the St. Lawrence seaway and power project between Congressman PITTENGER and Senator SALTONSTALL has been published. I ask unanimous consent to extend my remarks by inserting this printed document in the CONGRESSIONAL RECORD, excepting the illustrations. The extension may exceed the limit established by the Joint Committee on Printing. In spite of this I ask unanimous consent that the extension be made.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. VURSELL asked and was given permission to extend his remarks in the Record.

#### WHAT MAKES AMERICA GREAT

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, last night in listening to the radio I heard a commentator tell the story of a streamlined passenger train of the Illinois Central Railroad that will stop at a small town in Tennessee tonight for the purpose of picking up a crippled little girl that has been waving flowers to the trainmen of both freight and passenger trains as they have passed through this little village for more than a year.

The trainmen, though brave, strong, and grim as they must be, are still generous, and out of their souls they have been inspired to and have collected a fund out of their own pockets to take her to a hospital in St. Louis. She is going to have a drawing room to herself and she will be taken at the expense of these noble trainmen to that great hospital to be operated on to correct her physical disabilities and to give her longer life.

Mr. Speaker, that is the thing that helps to make America great. That approaches the spirit of Him who said, "Suffer the little children to come unto me and forbid them not, for of such is the Kingdom of Heaven," or still that

other great truth, "that it is more blessed to give than to receive."

Mr. Speaker, it gives me great pleasure to present this to the House.

#### RELIEF OF SUNDRY CLAIMANTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Monday next it may be in order for the House to consider the bill (H. R. 3068) for the relief of sundry claimants.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### RAYMOND C. CAMPBELL

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3904) for the relief of Raymond C. Campbell, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "\$7,500" and insert "\$6,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

#### GEORGE W. MURRELL AND KIRBY MURRELL, A MINOR

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3012) for the relief of George W. Murrell and Kirby Murrell, a minor, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

#### KATHLEEN LAWTON MCGUIRE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2670) for the relief of the legal guardian of Kathleen Lawton McGuire, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "\$1,657.25" and insert "\$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.



A motion to reconsider was laid on the table.

#### COLD SPRING, MINN.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2008) for the relief of the village of Cold Spring, Minn., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "\$3,637.27" and insert "\$2,100".

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1947

Mr. HENDRICKS. Mr. Speaker, I call up the conference report on the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

#### CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 61]

Bailey	Fellows	Johnson,
Baldwin, N. Y.	Fisher	Luther A.
Barden	Flood	Jones
Barry	Forand	Kelley, Pa.
Bender	Fuller	Kelly, Ill.
Bloom	Gamble	King
Bolton	Gathings	Kirwan
Boren	Geelan	Latham
Boykin	Gerlach	Lesinski
Buckley	Gibson	Lynch
Buffett	Gillette	McKenzie
Byrne, N. Y.	Gillie	Mansfield, Tex.
Carnahan	Gore	Mason
Celler	Grant, Ala.	Murphy
Chapman	Green	Norblad
Clark	Gregory	Norton
Clippinger	Hall	Patterson
Cole, N. Y.	Edwin Arthur	Peterson, Fla.
Colmer	Hall	Peterson, Ga.
Courtney	Leonard W.	Pfeiffer
Crawford	Halleck	Philbin
Cunningham	Hancock	Phillips
Curley	Hart	Ploeser
Dawson	Hartley	Plumley
De Lacy	Hébert	Powell
Dingell	Heffernan	Price, Fla.
Dondero	Hinshaw	Quinn, N. Y.
Douglas, Calif.	Hoffman	Rabin
Douglas, Ill.	Holmes, Mass.	Rains
Drewry	Howell	Randolph
Engle, Calif.	Jackson	Rayfel

Reed, N. Y.  
Robertson,  
N. Dak.  
Roe, N. Y.  
Ryder  
Savage  
Sheridan  
Short  
Sikes

Simpson, Ill.  
Simpson, Pa.  
Slaughter  
Smith, Maine  
Smith, Ohio  
Stefan  
Stevenson  
Summers, Tex.  
Torrens

Wadsworth  
Walter  
Wasielewski  
Whitten  
Winter  
Wolfenden, Pa.  
Zimmerman

The SPEAKER. On this roll call 315 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1947

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 12, 27, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 15, 16, 19, 20, 21, 23, 25, 26, and 29, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In line 8 of the matter inserted by said amendment, strike out the sum "\$870,000" and insert in lieu thereof "\$970,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: At the end of the sum "\$3,272,983" inserted by said amendment, insert the following: ", of which \$40,000 shall be available for salaries and expenses of the Federal Board of Hospitalization"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$101,000" and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"No part of the appropriations herein made to the Bureau of the Budget shall be used for the maintenance or establishment of more than four regional, field, or any other offices outside the District of Columbia."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$3,060,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "\$1,792,700"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$2,194,120"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$8,075,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$4,916,700"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$4,431,142,415"; and the Senate agree to the same.

The committee report in disagreement the following amendments numbered 10 and 18.

JOE HENDRICKS,  
GEORGE MAHON,  
GEORGE ANDREWS  
ALEX THOMAS,  
R. B. WIGGLESWORTH,  
FRANCIS CASE,  
HENRY C. DWORSHAK,

*Managers on the Part of the House.*

KENNETH MCKELLAR,  
RICHARD B. RUSSELL,  
THEODORE FRANCIS GREENE,  
J. H. BANKHEAD,  
STYLES BRIDGES,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 5201, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Nos. 1 and 2: Inserts the proposal of the Senate amended to provide that \$970,000 shall be returned to the Treasury, instead of \$870,000, as proposed by the Senate, the reduction of \$100,000 being applied to the item for work in connection with the grounds of the Execution Mansion, instead of providing for salaries and expenses of the White House Office from the unexpended balances in the fund of \$1,650,000 appropriated in the First Deficiency Appropriation Act, 1946, and returning the remainder to the Treasury, as proposed by the House.

Nos. 3, 4, 5, 6, 7, 8, and 9, relating to the Bureau of the Budget: Appropriates \$3,272,983, as proposed by the Senate, instead of \$3,044,880, as proposed by the House, for salaries and expenses; inserts the language "of which \$40,000 shall be available for salaries and expenses of the Federal Board of Hospitalization; provides not exceeding \$25,000, as proposed by the Senate, instead of \$12,500, as proposed by the House, for purchase and exchange of lawbooks, books of reference, newspapers and periodicals; provides not exceeding \$1,800 for teletype news service, as proposed by the Senate, instead of \$1,350, as proposed by the House; provides

not to exceed \$2,600 for penalty mail costs, as proposed by the Senate, instead of \$1,570, as proposed by the House; provides \$42,500 for employment of persons or organizations by contract or otherwise without regard to section 3709 of the Revised Statutes, or the Classification Act of 1923, as amended, as proposed by the Senate, instead of \$38,750, as proposed by the House; appropriates \$101,000 for printing and binding, instead of \$88,000, as proposed by the House, and \$125,000, as proposed by the Senate, the reduction of \$24,000 in the figure proposed by the Senate being applied to funds for printing the revised edition of volumes I and II of the Standard Commodity Classification; and includes the proposal of the Senate with reference to the maintenance or establishment of regional, field or other offices outside the District of Columbia, amended to permit the maintenance or establishment of four such offices.

Nos. 11 and 12, relating to the Federal Communications Commission: Appropriates \$5,560,000, of which not to exceed \$2,984,000 shall be available for personal services in the District of Columbia, as proposed by the House, instead of \$5,330,000, of which \$2,834,000 would have been available for personal services in the District of Columbia, as proposed by the Senate.

Nos. 13, 14, 15, and 16, relating to the Federal Power Commission: Appropriates \$3,060,000 for salaries and expenses, instead of \$2,860,000, as proposed by the House, and \$3,115,000, as proposed by the Senate, of which \$1,822,250 shall be available for personal services in the District of Columbia, instead of \$1,674,500, as proposed by the House, and \$1,792,700, as proposed by the Senate; and appropriates \$235,000 for flood-control surveys, of which \$100,800 shall be available for personal services in the District of Columbia, instead of \$200,000, of which \$89,600 would have been available for personal services in the District of Columbia, as proposed by the House.

No. 17: Appropriates \$2,194,120 for salaries and expenses, Federal Trade Commission, instead of \$2,094,120, as proposed by the House, and \$2,333,620, as proposed by the Senate, the increase of \$100,000 in the bill as passed by the House being provided for law enforcement and trade practice conference work of the Commission.

Nos. 19, 20, and 21, relating to the Public Roads Administration: Authorizes the purchase of one hundred and twenty-one used or surplus passenger automobiles, as proposed by the Senate, instead of one hundred, as proposed by the House; provided \$1,812,500 for personal services in the District of Columbia, as proposed by the Senate, instead of \$1,682,785, as proposed by the House; and inserts the clarifying words "a part of" in the item for secondary or feeder roads, as proposed by the Senate.

No. 22: Appropriates \$8,075,000 for general expenses, Interstate Commerce Commission, instead of \$8,000,000, as proposed by the House, and \$8,130,000, as proposed by the Senate, the reduction of \$55,000 in the amount recommended by the Senate consisting of a decrease of \$25,000 in the proposed increase of \$100,000 for the Bureau of Service in connection with car-service supply and control work, the remaining reduction of \$30,000 being applied as a general cut.

No. 23: Strikes out the provision of the House proposing an appropriation of \$5,000 for the Interstate Commission on the Potomac River Basin, as proposed by the Senate.

No. 24: Appropriates \$4,916,700 for the Securities and Exchange Commission, instead of \$4,791,700, as proposed by the House, and \$5,041,700, as proposed by the Senate.

No. 25: Appropriates \$1,452,512 for salaries and expenses, Smithsonian Institution, as proposed by the Senate, instead of \$1,408,224, as proposed by the House.

No. 26: Appropriates \$772,490 for salaries and expenses, National Gallery of Art, as proposed by the Senate, instead of \$757,490, as proposed by the House.

No. 27: Appropriates \$975,000 for salaries and expenses of the Tariff Commission, as proposed by the House, instead of \$1,125,000, as proposed by the Senate.

Nos. 28, 29, and 30, relating to the Veterans' Administration: Appropriates \$553,805,915 for administration, medical, hospital, and domiciliary services, as proposed by the House, instead of \$553,845,915, of which \$40,000 shall be available for the Federal Board of Hospitalization, as proposed by the Senate; appropriates \$1,648,387,000 for readjustment benefits, as proposed by the Senate, instead of \$2,148,387,000, as proposed by the House, the reduction of \$500,000,000 in the House figure being accounted for by the passage of a special resolution (H. J. Res. 316) appropriating that amount which was required immediately for the payment of readjustment benefits; and corrects the total of appropriations for the Veterans' Administration.

#### AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

No. 10, relating to the emergency fund for the President. The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 18, authorizing the Federal Works Administrator to accept payment on obligations held by him of States or other public bodies. The House managers will recommend concurrence in the Senate amendment.

JOE HENDRICKS,  
GEORGE MAHON,  
GEORGE ANDREWS,  
ALBERT THOMAS,  
R. B. WIGGLESWORTH,  
FRANCIS CASE,  
HENRY C. DWORSHAK,

Managers on the Part of the House.

Mr. HENDRICKS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, there is no disagreement on the conference report itself. The bill as it left the House was a reduction under the Budget estimate of \$47,613,876. In the conference report the bill is reduced under the Budget estimate by the amount of \$45,899,825.

The total of the bill, of course, when it left the House was larger than it is at the present time, owing to the elimination of the Veterans' Administration item of \$500,000,000. I think that fairly well sums up the conference report.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I have signed this conference report not because I am happy in the result, but because once again it seems that the report is the best that can be hoped for under existing conditions.

The House will recall that the recommendations received from the Bureau of the Budget, on behalf of the President, called for appropriations in the fiscal year 1947 exceeding those of 1946 by about \$1,376,000,000, and exceeding those for the fiscal year 1939, just prior to the war, by about \$2,136,000,000.

Of the increases compared with the fiscal year 1946, it is true that about \$1,240,000,000 was in respect to the Veterans' Administration, but over and above this there were increases recommended of about \$136,000,000, appropriations for the great majority of the

agencies included in this bill reflecting increases in the coming year, a number of them reflecting the largest appropriations in their history.

The House reduced the bill by about \$46,700,000. The Senate increased it by about \$2,100,000. The Senate bill has been reduced in conference by about \$388,500.

The net result is that while this bill is some \$46,000,000 under the Budget estimates, it is still about \$91,030,000 above appropriations for the same purposes, excluding the Veterans' Administration, in the present fiscal year.

I sometimes think, Mr. Speaker, that a distinguished Member of the Senate was entirely correct when he stated facetiously a short time ago that, in his opinion, we would never get any real economy here in the Congress until all the money in the national deficit has been spent.

Mr. HENDRICKS. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I should like to state to the House what is done by the conference report on the White House item, which attracted the attention of many Members at the time that the action was taken in the House.

It will be recalled that in the House we proposed to recapture the money which had been originally appropriated for the White House extension in the deficiency bill and apply part of it to the payment of office salaries and return the balance to the Treasury. The Senate concurred in the action so far as rescinding the appropriation was concerned, but instead of applying the part proposed to be reapportioned to the payment of salaries, it proposed its use for certain improvements of the White House grounds, but not the building of the west wing offices, museum, cafeteria, and auditorium as originally contemplated. The Senate proposal was to apply \$265,000 to the completion of the east wing, and that was explained as the completion of the interior of the east wing which is already constructed and has been in use for some years. These funds would make it possible to redecorate the east wing and improve the interior. Two hundred and twenty-five thousand dollars was proposed by the Senate for work on the grounds of the Executive Mansion, an underground storeroom at \$59,000, rehabilitation of the present heating system, \$60,000, and a service tunnel on the north side, \$47,000.

The action of the conference concurs in that program approved by the Senate, except that we increased the return to the Treasury by \$100,000, and that increased return to the Treasury is accomplished by reducing the amount for the grounds of the Executive Mansion from \$225,000 to \$125,000. That is the way in which the approval of the conference report leaves the fund.

Mr. HENDRICKS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the gentleman from Massachusetts speaks of the amount this appropriation is above the appropriation of 1939, and I believe also of the present



fiscal year. I may say to the House that the increase is due almost entirely to the \$1,236,243,165 for the Veterans' Administration and \$159,838,792 for the Bureau of Public Roads. In addition, there is no fair comparison between this appropriation and the appropriation for 1939. All the agencies have had more work to do, and they have a backlog, so we naturally expect the appropriation to be bigger. We have reduced it even below the President's estimate, however.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 4, line 21, insert the following:

**"EMERGENCY FUND FOR THE PRESIDENT"**

"Emergency fund for the President: Not to exceed \$5,000,000 of the appropriation 'Emergency fund for the President,' contained in the First Supplemental National Defense Appropriation Act, 1943, as supplemented and amended, is hereby continued available until June 30, 1947: *Provided*, That no part of such fund shall be available for allocation to finance a function or project for which function or project a Budget estimate of appropriation was transmitted pursuant to law during the Seventy-ninth and Eightieth Congresses and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies."

Mr. HENDRICKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. HENDRICKS moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur in the same with an amendment as follows: After the word "Senate" in line 12 of said amendment strike out the remainder of the line and all of lines 13 and 14 and insert in lieu thereof the following: "or House of Representatives or by the Committee on Appropriations of either body."

Mr. WIGGLESWORTH. Mr. Speaker, I ask for a division of the question.

Mr. HENDRICKS. Mr. Speaker, I make the point of order that a division of this motion is not in order.

The SPEAKER. The gentleman is in order and can get a division of the question.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman from Florida yield me 4 minutes in order that I may explain the situation?

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from South Dakota for the purpose of discussing the amendment.

Mr. CASE of South Dakota. Mr. Speaker, the reason I asked for this time is to explain the situation we have before us, so that everyone will understand just where we are. We are considering Senate amendment No. 10, which appears at the bottom of page 4 of the independent offices appropriation bill.

It will be remembered that when this bill was considered in the House the gentleman from Idaho [Mr. DWORSHAK]

made a point of order against the paragraph, which carried a \$5,000,000 appropriation for emergency funds for the President, and the point of order was sustained. When the bill went to the Senate the \$5,000,000 was restored. The question pending before the House now is whether or not we should recede and concur in the Senate amendment restoring the \$5,000,000.

The gentleman from Massachusetts asked for a division of the question, the question being on the motion of the gentleman from Florida [Mr. HENDRICKS] that we recede and concur with an amendment. The effect of asking for the division is to force a separate vote on the question of receding, and the question we will first vote upon will be whether or not the House should recede. If that motion should be voted down, then, presumably, the gentleman from Florida will make the customary motion to further insist upon our disagreement. If the motion should not be voted down and the House recedes, then the question will recur on the balance of the motion offered by the gentleman from Florida that we concur with an amendment.

Parenthetically, I would say that the amendment is desirable if the fund be approved. Its effect is to deny the availability of the funds for any project if a request for funds for such project has been denied by either body of the Congress or by the Appropriations Committee of either body.

The first question to be decided, however, is whether or not we shall recede. That places squarely before the House the question of whether or not there should be any emergency fund for the President at all. It has been the contention of the gentleman from Idaho and many Members of the minority side at least, that under present conditions, with the war over and with the Congress in session as steadily as it is, there is no occasion for an emergency fund; that the history of the emergency fund shows that on practically every use to which it has been put there has been ample time for the President to send up a supplementary estimate or a request for early consideration. The deficiency committee has been very prompt to respond to appeals for emergency appropriations. We have passed several here in the recent history of the House where on very short notice when an emergency has arisen the deficiency committee has given it consideration. The question that is now before the House is whether or not you want to continue the existence of an emergency fund from which the President may make appropriations or expenditures without any justification or without presenting the matter to the Congress.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. MICHENER. Do I correctly state the situation when I say that the question is whether or not the President shall be given a blank check to spend as he may see fit for such purposes as he may desire, the sum of \$5,000,000.

Mr. CASE of South Dakota. The gentleman is correct in that assumption.

Mr. MICHENER. Has the committee reported a proposal such as that?

Mr. CASE of South Dakota. No; that is not in the conference report. That is what is in disagreement. A vote "aye" to recede is a vote for the blank check; a vote "no" is against it.

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Speaker, the gentleman from South Dakota has explained the parliamentary situation in regard to the motion now pending. I want to call attention to the proviso added by the Senate. I quote:

*Provided*, That no part of such fund shall be available for allocation to finance a function or project for which function or project a Budget estimate of appropriation was transmitted pursuant to law during the Seventy-ninth and Eightieth Congresses and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies.

Mr. Speaker, I contend that is an ineffectual proviso because naturally if the President wants to allocate funds for some alleged emergency proposal which might be denied in Congress, he would not transmit a Budget request to the Committee on Appropriations of the House. Consequently the committee would not have an opportunity to consider a request which would not be submitted. This prohibition would be inoperative and ineffectual and would not accomplish the purpose which the conferees on the part of the other body contend it would.

In the hearings on this particular item, there is nothing to justify the continuance of an emergency fund for the President. Of course, during the war, the previous President had access to these funds and sought to justify them because of the lack of time to present Budget requests to the Congress. During the hearings on this question, I asked the Director of the Bureau of the Budget what justification there was. I quote Director Smith's reply, as follows:

The only thing we know about is some more money for the item that you mentioned, approximately \$4,000,000 for repatriation of destitute people, and if that is the sole item, it might then be approximately \$13,000,000 balance instead of \$17,000,000; but that would be a rough guess.

Therefore, it is obvious that whereas there was about \$17,500,000 available in the emergency fund of the President on December 6, 1945, the Director of the Budget did not offer any justifiable reason for continuing this emergency fund because he could anticipate no project upon which this fund might be expended.

It has been pointed out frequently that Congress is in session most of the time, and whenever an item is needed to cover some emergency proposal submitted by the Bureau of the Budget, the President can come here and request consideration by the Appropriations Committee.

I want to stress again that this proviso is merely a subterfuge, and no Budget request would either be submitted to or considered by any appropriations committee when it was anticipated there

would be disapproval of it. Therefore, I appeal to the House to defeat this motion to recede, so that the bill will remain in the exact form that it was when it left this body—containing no emergency funds for the President.

The SPEAKER. The time of the gentleman from Idaho [Mr. DWORSHAK] has expired.

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I think almost everyone in the House would agree that one of the most fundamental mistakes the Congress of the United States ever made was the surrender in recent years of control over the purse strings of the Nation to the executive branch of the Government.

I object to a large emergency fund for the Executive on fundamental principle. I object to it also because, time and time again, despite frequent protests to the Budget Bureau, it has been demonstrated that this fund in recent years has been used for purposes for which it should not have been used.

I do not have time to read the items, but for this fiscal year between July 1 and December 5, 1945, there were some 13 allocations made out of the emergency fund, aggregating some \$6,712,000. Almost without exception, in my opinion, those items not only could but should have been brought to the Appropriations Committees of the Congress, instead of being spent in the discretion of the Bureau of the Budget, without any "Yes" or "No" by the Congress.

Under leave to extend my remarks, I include at this point in the RECORD a table showing the allocations:

*Statement of allocations made from the current appropriation, emergency fund for the President, national defense, 1942-46, during the period July 1 to Dec. 5, 1945*

Balance available for allocation as of July 1, 1945.....	\$58,935,122
Rescission of portions of previous allocations.....	+10,558,234
Rescission of appropriation....	-45,000,000
Total available for allocation.....	24,493,406

#### Allocations:

Executive Office of the President: For procurement of special reports and handling of special problems.....	100,000
Independent offices: Veterans' Administration: For printing and binding (Reimbursable—H. R. 4805).....	200,000
Federal Security Agency: For temporary aid to civilians.....	1,300,000
Department of Commerce: For disposal of Office of Civilian Defense property.....	221,000
Department of the Interior: For special committee appointed by President.....	19,800
Department of Justice: For confidential purposes....	2,771,357
Department of Labor: For President's National Labor-Management Conference.....	15,000

#### Allocations—Continued

Department of State: For procurement of special reports.....	\$125,000
Expenses of personal representative of President to United Nations Organization....	377,500
Cultural relations with China, Near East, and Africa (pursuant to Public Law 529).....	1,390,000
Conference of Allied Ministers of Education in London (pursuant to Public Law 529).....	172,000
For confidential purposes.....	15,000
Expenses of representative of President in French West Africa.....	5,539
Total allocations to Dec. 5, 1945.....	6,712,196
Balance available for allocation as of Dec. 6, 1945.....	17,781,210

I should not object to a small fund under present conditions, but the fighting is over, and it seems to me altogether unnecessary to set up such a fund as \$5,000,000 for the fiscal year 1947.

I hope when the question recurs on whether the House will recede, that the Members will vote "no" in order that the proposed fund of \$5,000,000 may be eliminated or substantially decreased.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. This fund for the President permits the President to allocate funds for any purpose he may see fit except something that has not heretofore been deliberately refused by the Congress. That allows him to go ahead and spend money for a purpose which is not authorized by Congress. It has never been the custom in this country for any such fund to be available in peacetime; it never was for any President, it should not be now. There was not a single item of allocation in the last 12 months that was of an emergency character. There is no possible excuse for the continuance of this operation, and the Congress of the United States should now recover to itself the power to appropriate money and to provide for the departments of the government. If we do not, activities of all kinds will be started which the Congress will not approve and for which we will be subjected to all kinds of high pressure to continue.

I hope the Congress will refuse to recede, and will recover back to itself the power to create agencies and to appropriate funds for their continuance.

Mr. HENDRICKS. Mr. Speaker, I yield myself 5 minutes, after which I expect to move the previous question on the motion to recede.

Mr. Speaker, they would lead you to believe that we are being careless and reckless by allowing the President \$5,000,000 emergency funds in this bill. Many bills have passed carrying large emergency funds for the President. Except for the fact that some of us who might want to play politics sometimes

have criticized, it cannot be shown that the funds have been expended in any way they should not have been. This bill came to the House originally with \$5,000,000 for the President's emergency fund. It was knocked out on a point of order and the House had no opportunity to vote on it. It went to the Senate. They restored it and put all the safeguards around it they possibly could.

Mr. Speaker, the gentleman from New York says we are giving the President a blank check to write and do with what he will. I admit that, and I am willing to give it to him. All these gentlemen who want to change this would give the President nothing. They state that the war is over. Maybe the shooting war is over, but really I must say that is not true. As far as we are concerned the shooting war is over, but the war is not over and nobody with any intelligence can stand here and say that the war is over.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. Not at this time.

Certainly emergency conditions arising out of the war are not over. The gentleman from New York says there are no emergencies for which this fund need be used. May I point out to you that the emergency fund was used to finance the UNO meetings. There has been no appropriation made for it.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. Not at this time. I have only 5 minutes. I will yield later.

There may be other organizations and other purposes arising out of UNO that would need some money before an appropriation could be put through the Congress for it.

The President used this emergency fund for the taking over of strike-bound plants. The President used this emergency fund to set up the office of the Housing Expediter for emergency housing. He used the emergency fund for the fact-finding boards. He used it for many purposes.

Is the President asking for a lot of money to spend and use foolishly? He is not. He had \$59,000,000 last year. He, himself, asked that \$45,000,000 of it be taken back, and it was.

He is only asking now for \$5,000,000 in the coming fiscal year. The war is not ended in this country, and I feel that the people of the United States are of the opinion that the President ought to have this \$5,000,000.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from New York.

Mr. TABER. No estimate was ever submitted up there to take care of the UNO. If there had been, it would have received prompt consideration. There is no emergency which justifies this allotment.

Mr. HENDRICKS. That still does not obviate the fact that emergencies will arise where the expenditure of money is needed immediately. If we cannot trust the President of the United States with



\$5,000,000, we cannot trust him to be President of the United States.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Texas.

Mr. MAHON. Does not the gentleman feel that the \$5,000,000 is the lowest figure that we can afford to provide at this time in view of the demands that the President may possibly have and in view of the record made in the use of these funds within the last year?

Mr. HENDRICKS. Yes. The President had \$59,000,000 last year and for the coming year he is asking for \$5,000,000. I think that is a fair reduction in anybody's language.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. When the gentleman made the statement that the President's expenditure of these funds could not be challenged or questioned in any instance, I was wondering if the gentleman had in mind the use of this fund for the making of allocations to the FEPC, the refugee camp in New York, and for the construction of this so-called "mad house" down on Pennsylvania Avenue. In connection with all of those projects Congress has raised some question, whether wisely or not, but at least some doubt may exist as to whether or not the President's wisdom was perfect in making those allotments.

Mr. HENDRICKS. Did the gentleman vote for the FEPC? When he answers that, then I will answer his question.

Mr. CASE of South Dakota. I do not know that that question has come to a vote yet. We have heard a little about a discharge petition which seeks to bring it up.

Mr. HENDRICKS. It has come to a vote before.

Mr. CASE of South Dakota. On appropriations, perhaps. If the gentleman will look up the roll call he may find out.

Mr. HENDRICKS. Will the gentleman answer the question?

Mr. CASE of South Dakota. I do not recall my vote. Does the gentleman recall his vote?

Mr. HENDRICKS. Yes, I do. I voted "no."

Mr. CASE of South Dakota. Then the gentleman has answered the question I wanted to put.

Mr. HENDRICKS. If the gentleman voted for the FEPC, or if he is in favor of it, he cannot contend that the President's allotment to that agency is not a proper allotment.

Mr. CASE of South Dakota. The gentleman is the one who raised the question as to whether or not the President's use of the funds can be criticized. The gentleman has qualified for his own challenge.

Mr. HENDRICKS. I do not agree with the President in the allotment of funds to the FEPC, but the President had the legal right and authority to do it. If the gentleman is for the FEPC, then he cannot contend that the President did

not properly allot that money out of the emergency fund.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. HENDRICKS. Mr. Speaker, I yield myself two additional minutes.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to know if this fund is going to be used for that purpose. If it is, I am going to vote against the conference report.

Mr. HENDRICKS. Mr. Speaker, I made inquiry at the White House if funds would be used for that purpose and I was told they had no intention of using funds for that purpose unless the act is authorized; therefore I assume the President will keep his word and will use none of these funds for FEPC.

The SPEAKER. The time of the gentleman has again expired.

Mr. HENDRICKS. Mr. Speaker, I move the previous question on the motion to recede.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Florida that the House recede from its disagreement to the Senate amendment.

Mr. HENDRICKS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 181, nays 140, not voting 110, as follows:

#### [Roll No. 62]

#### YEAS—181

Abernethy	Earthman	Lanham
Allen, La.	Eberharter	Larcade
Almond	Elliott	Lea
Andrews, Ala.	Ervin	Link
Baldwin, Md.	Fallon	Ludlow
Barden	Feighan	Lyle
Barrett, Pa.	Fernandez	McCormack
Barry	Flannagan	McDonough
Bates, Ky.	Fogarty	McGehee
Beckworth	Folger	McGlinchey
Bell	Gallagher	Madden
Biemiller	Gardner	Mahon
Bland	Gary	Maloney
Boykin	Gordon	Manasco
Bradley, Pa.	Gorski	Mankin
Brehm	Gossett	Mansfield,
Brooks	Granahan	Mont.
Brown, Ga.	Granger	Mansfield, Tex.
Bryson	Grant, Ala.	Marcantonio
Bulwinkle	Hare	May
Bunker	Harless, Ariz.	Miller, Calif.
Burch	Harris	Mills
Burgin	Hart	Morgan
Camp	Havener	Morrison
Cannon, Fla.	Hays	Murdock
Cannon, Mo.	Healy	Murray, Tenn.
Chelf	Hedrick	Neely
Clark	Hendricks	Norrell
Clements	Hobbs	O'Brien, Ill.
Cochran	Hoch	O'Brien, Mich.
Combs	Hollfield	O'Neal
Cooley	Hook	O'Toole
Cooper	Huber	Outland
Cox	Izac	Pace
Cravens	Jarman	Patrick
Crosser	Johnson, Calif.	Pickett
Curley	Johnson,	Poage
D'Alessandro	Lyndon B.	Powell
Daughton, Va.	Johnson, Okla.	Price, Ill.
Davis	Kee	Priest
Delaney,	Kefauver	Rabaut
James J.	Kerr	Randolph
Delaney,	Kilday	Rankin
John J.	King	Rea
Domengeaux	Kirwan	Richards
Doughton, N. C.	Klein	Riley
Douglas, Calif.	Kopplemann	Rivers
Doyle	LaFollette	Robertson, Va.
Durham	Lane	Robinson, Utah

Roe, Md.  
Rogers, Fla.  
Rogers, N. Y.  
Rooney  
Rowan  
Russell  
Sabath  
Sadowski  
Sasser  
Sheppard  
Smith, Va.  
Somers, N. Y.  
Spence

Starkey  
Stewart  
Stigler  
Sullivan  
Summers, Tex.  
Tarver  
Thom  
Thomas, Tex.  
Thomason  
Tolan  
Traynor  
Trimble  
Vinson

Voorhis, Calif.  
Weaver  
Welch  
West  
White  
Whittington  
Wickersham  
Winstead  
Wolverton, N. J.  
Wood  
Woodhouse  
Worley

#### NAYS—140

Adams	Fulton	McMillen, Ill.
Allen, Ill.	Gavin	Martin, Iowa
Andersen,	Gearhart	Martin, Mass.
H. Carl	Gifford	Mathews
Anderson, Calif.	Gillespie	Morrow
Andresen,	Goodwin	Michener
August H.	Graham	Miller, Nebr.
Andrews, N. Y.	Grant, Ind.	Mundt
Angell	Griffiths	Murray, Wis.
Arends	Gross	O'Hara
Arnold	Gwynne, Iowa	O'Konski
Barrett, Wyo.	Hagen	Pittenger
Bates, Mass.	Hale	Plumley
Beall	Hail,	Ramey
Bennet, N. Y.	Edwin Arthur	Reece, Tenn.
Bennett, Mo.	Hand	Reed, Ill.
Bishop	Harness, Ind.	Rees, Kans.
Blackney	Henry	Rich
Bradley, Mich.	Herter	Robison, Ky.
Brown, Ohio	Heslton	Rockwell
Brumbaugh	Hess	Rodgers, Pa.
Buck	Hill	Rogers, Mass.
Butler	Hoeven	Schwabe, Okla.
Byrnes, Wis.	Holmes, Wash.	Scribner
Campbell	Hope	Sharp
Canfield	Horan	Smith, Wis.
Carlson	Hull	Springer
Case, N. J.	Jenkins	Stevenson
Case, S. Dak.	Jennings	Stockman
Chenoweth	Johnson, Ill.	Sumner, Ill.
Chiferfield	Johnson, Ind.	Sundstrom
Church	Jonkman	Taber
Clason	Judd	Talbot
Clevenger	Kean	Talle
Cole, Kans.	Kearney	Taylor
Cole, Mo.	Keefe	Thomas, N. J.
Corbett	Kilburn	Tibbott
Curtis	Kinzer	Towe
D'Ewart	Knutson	Vorys, Ohio
Dirksen	Kunkel	Vursell
Dolliver	Landis	Weichel
Dworshak	LeCompte	Wigglesworth
Ellis	LeFevre	Wilson
Ellsworth	Lewis	Winter
Elsaesser	Luce	Wolcott
Elston	McConnell	Wolfenden, Pa.
Engel, Mich.	McCowan	Woodruff
Fenton	McGregor	

#### NOT VOTING—110

Auchincloss	Gibson	Patterson
Bailey	Gillette	Peterson, Fla.
Baldwin, N. Y.	Gillie	Peterson, Ga.
Bender	Gore	Pfeiffer
Bloom	Green	Philbin
Bolton	Gregory	Phillips
Bonner	Gwinn, N. Y.	Ploesser
Boren	Hall,	Price, Fla.
Buckley	Leonard W.	Quinn, N. Y.
Buffett	Halleck	Rabin
Byrne, N. Y.	Hancock	Rains
Carnahan	Hartley	Rayfield
Celler	Hébert	Reed, N. Y.
Chapman	Heffernan	Rizley
Clippinger	Hinshaw	Robertson,
Coffee	Hoffman	N. Dak.
Cole, N. Y.	Holmes, Mass.	Roe, N. Y.
Colmer	Howell	Ryder
Courtney	Jackson	Savage
Crawford	Jensen	Schwabe, Mo.
Cunningham	Johnson,	Shafer
Dawson	Luther A.	Sheridan
De Lacy	Jones	Short
Dingell	Kelley, Pa.	Sikes
Dondero	Kelly, Ill.	Simpson, Ill.
Douglas, Ill.	Keogh	Simpson, Pa.
Drewry	Latham	Slaughter
Eaton	Lemke	Smith, Maine
Engle, Calif.	Lesinski	Smith, Ohio
Fellows	Lynch	Sparkman
Fisher	McKenzie	Stefan
Flood	McMillan, S. C.	Torrens
Forand	Mason	Wadsworth
Fuller	Monroney	Walter
Gamble	Murphy	Wastelowski
Gathings	Norblad	Whitten
Geelan	Norton	Zimmerman
Gerlach	Patman	

So the motion to recede was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Patterson for, with Mr. Ploeser against.  
Mr. Heffernan for, with Mr. Bender against.  
Mr. Dingell for, with Mr. Gillie against.  
Mr. Sheridan for, with Mr. Dondero against.  
Mrs. Douglas of Illinois for, with Mr. Simpson of Pennsylvania against.  
Mr. Courtney for, with Mr. Fuller against.  
Mr. Gore for, with Mr. Stefan against.  
Mr. Carnahan for, with Mr. Buffett against.  
Mr. Pfeifer for, with Mr. Cole of New York against.  
Mr. Bonner for, with Mr. Cunningham against.  
Mr. Sparkman for, with Mr. Short against.  
Mr. Kelley of Pennsylvania for, with Mr. Reed of New York against.  
Mrs. Norton for, with Mr. Shafer against.  
Mr. Rayfield for, with Mr. Latham against.  
Mr. Keogh for, with Mr. Schwabe of Missouri against.  
Mr. Byrne of New York for, with Mr. Crawford against.  
Mr. Colmer for, with Mr. Fellows against.  
Mr. Roe of New York for, with Mr. Halleck against.  
Mr. Green for, with Mr. Jensen against.  
Mr. Lesinski for, with Mr. Hoffman against.  
Mr. Monroney for, with Mr. Jones against.  
Mr. De Lacy for, with Mr. Howell against.  
Mr. Patman for, with Mr. Gillette against.

General pairs until further notice:

Mr. Coffee with Mr. Holmes of Massachusetts.  
Mr. Drewry with Mr. Gamble.  
Mr. Quinn of New York with Mr. Hartley.  
Mr. Price of Florida with Mr. Eaton.  
Mr. Bailey with Mr. Gwinn of New York.  
Mr. Peterson of Georgia with Mr. Mason.  
Mr. Buckley with Mr. Rizley.  
Mr. Whitten with Mr. Simpson of Illinois.  
Mr. Slaughter with Mr. Wadsworth.  
Mr. Torrens with Mrs. Smith of Maine.

The result of the vote was announced as above recorded.

#### PROGRAM FOR NEXT WEEK

Mr. HENDRICKS. Mr. Speaker, does the gentleman from Massachusetts [Mr. MARTIN] wish recognition?

Mr. MARTIN of Massachusetts. Yes; if I might have a couple of minutes.

Mr. HENDRICKS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. I thank the gentleman for the time and take advantage of it to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. If we dispose of these two conference reports today and the Hays bill there is no legislative program for tomorrow, and if there is no objection I shall then ask that we adjourn from today until next Monday.

Monday next is District day, but I understand that committee has no bills to be considered.

H. R. 3068, an omnibus claims bill out of the Claims Committee, for which unanimous consent to consider on Monday has already been secured, will be brought up at that time. There are several private bills in that omnibus measure.

On Tuesday and Wednesday we will consider a joint resolution on veterans' housing, which carries an appropriation of approximately \$250,000,000, following the Second Emergency Housing bill.

Mr. MARTIN of Massachusetts. That is to take care of the so-called Lanham bill?

Mr. McCORMACK. Yes.

On Tuesday and Wednesday we will also take up consideration of a second deficiency bill for 1946.

On Thursday and Friday a Philippine trade act of 1946 bill will be considered. I understand the Ways and Means Committee has agreed to report this bill. The members of that committee are now in the process of writing a report. I have spoken with the chairman of that committee, the distinguished gentleman from North Carolina [Mr. Doughton], and we have reached an agreement that we will consider that bill on Thursday and Friday.

That is the program for next week with the exception, of course, conference reports may be brought up at any time.

Mr. MARTIN of Massachusetts. Will Thursday be devoted to general debate? Mr. McCORMACK. I cannot answer that question specifically.

Mr. MARTIN of Massachusetts. I understand that bill will take 2 days.

Mr. COOPER. Mr. Speaker, of course a rule has not yet been granted. My understanding is application for a rule will be made on Monday. Obviously it is impossible to tell definitely at this time, but, personally, I would think that the first day should be used in general debate and the second day in the reading of the bill. We cannot tell until a rule is granted.

Mr. McCORMACK. If necessary we can meet at 11 o'clock.

Mr. MARTIN of Massachusetts. I thank the gentleman.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1947

Mr. HENDRICKS. Mr. Speaker, I move the previous question on the motion to concur in the Senate amendment with an amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 15, line 8, insert the following:

"The Federal Works Administrator is authorized to accept payment, at par and accrued interest, of any obligations, held by him, of States or other public bodies or non-profit corporations, notwithstanding the maturity dates or any premiums for the redemption thereof."

Mr. HENDRICKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. WIGGLESWORTH asked and was given permission to revise and extend the remarks previously made and include a table.

#### URGENT DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri submitted the following conference report and statement on the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) "making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, and 7, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

#### "LOANS, GRANTS, AND RURAL REHABILITATION

"For funds in addition to funds authorized under this head in the Department of Agriculture Appropriation Act, 1946, and for the same objects and subject to the same conditions, the limitation of \$67,500,000 in the authorization and direction to the Reconstruction Finance Corporation to make advances, contained under this head in said Act, is hereby increased to \$92,500,000."

And the Senate agree to the same.

CLARENCE CANNON,  
LOUIS LUDLOW,  
EMMETT O'NEAL,  
LOUIS C. RABAUT,  
JED JOHNSON,  
JOHN TABER,  
R. B. WIGGLESWORTH,  
EVERETT M. DIRKSEN,

Managers on the Part of the House.

KENNETH MCKELLAR,  
CARL HAYDEN,  
RICHARD B. RUSSELL,  
STYLES BRIDGES,  
CHAN CURNERY,

Managers on the Part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to the Court of Claims: Appropriates an additional amount of \$12,000, fiscal year 1946, for printing and binding, as proposed by the Senate.

Amendment No. 2, relating to the Office of Vocational Rehabilitation, Federal Security Agency: Appropriates an additional amount of \$3,435,000, fiscal year 1946, for the



Federal share of costs of State vocational rehabilitation programs, as proposed by the Senate.

Amendment No. 3, relating to the Veterans' Administration: Appropriates an additional amount of \$1,000,000 for increasing the vocational rehabilitation revolving fund from \$500,000, as proposed by the Senate.

Amendment No. 4, relating to loans, grants, and Rural Rehabilitation, Department of Agriculture: Increases the existing limitation of \$67,500,000 upon rehabilitation loans to needy individual farmers by the Reconstruction Finance Corporation by \$15,000,000, instead of by \$25,000,000, as proposed by the Senate.

It is the sense of the committee of conference that applications for loans of eligible veterans of World War II should have priority in making loans pursuant to this additional authorization.

Amendment No. 5, relating to the Navy Department: Provides for the payment out of existing appropriations of expenses in connection with the transfer to the United States of foreign vessels of war, as proposed by the Senate.

Amendment No. 6, relating to cemetery expenses, War Department: Appropriates an additional amount of \$3,000,000, fiscal year 1946, as proposed by the Senate.

Amendment No. 7, relating to increased pay costs of certain Federal officers and employees: Makes a direct appropriation of \$228,117,897, as proposed by the Senate, instead of an indefinite appropriation of not to exceed \$227,565,500, as proposed by the House.

CLARENCE CANNON,  
LOUIS LUDLOW,  
EMMET O'NEAL,  
LOUIS C. RABAUT,  
JED JOHNSON,  
JOHN TABER,  
R. B. WIGGLESWORTH,  
EVERETT M. DIRKSEN,

*Managers on the Part of the House.*

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, will the gentleman from Missouri tell us what is in the conference report?

Mr. CANNON of Missouri. Mr. Speaker, nothing but emergency matters. There is no item in it that is not of an emergency nature. All agencies provided for in this bill are either out of money or nearly so, and must be provided for immediately. The conferees on the part of the two Houses have met and have reached complete agreement. There is no difference of opinion on any provision in the report.

Mr. COCHRAN. Is there any disagreement on any item at all?

Mr. CANNON of Missouri. No disagreement on any item. There is complete agreement on the report in its entirety.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

Mr. CANNON of Missouri. Mr. Speaker, this bill is substantially in the form in which it passed the House as to House provisions. There is but one change as to such provisions, and that relates to pay costs, as to which the Senate has provided specific appropriations instead of limited indefinite appropriations. It is merely a change in form. Therefore, the only reason this bill went to conference was that the Senate added 6 amendments, excluding the pay-cost amendment.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK. Is the appropriation of \$100,000,000 for rural electrification in this bill?

Mr. CANNON of Missouri. That is not in this bill; that has been provided for in an earlier measure.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. MAHON. I was concerned by the fact that while the Senate provided \$25,000,000 in additional loans for the Farm Security Administration, in conference the figure was reduced so that only \$15,000,000 will be available for additional loans by the Farm Security Administration. I had hoped very much that we might agree to the Senate figure of \$25,000,000. May I ask the distinguished chairman of the committee if he believes the \$15,000,000 will be reasonably adequate to meet the demands, particularly the demands of veterans, for loans? I know I have received numerous letters from individual veterans and individual farmers in my home State who are dependent upon Farm Security Administration loans. They were told a few days ago that there is no more money available. I would hate for us to find that the \$15,000,000 provided here is not adequate to meet the most pressing demands. Will the gentleman make some statement as to that situation?

Mr. CANNON of Missouri. The amount is more than adequate. On March 8 there still remained of this appropriation in round figures \$6,500,000; to be specific, as I recall it, \$6,465,000 remained on March 8 unused and uncommitted. Of course, the larger part of that amount is still uncommitted. The Senate amendment, however, provided for \$25,000,000 additional, \$15,000,000 of it for veterans and \$10,000,000 for non-veterans. We have agreed to \$15,000,000, and in the conference report we set out that the veterans are to have priority. Therefore, under the bill as here reported we have approximately the \$6,500,000, and in addition the \$15,000,000 carried by this amendment in the allotment of which the veterans are to have priority. I may say that suggestions to the effect that there might not be sufficient money were based upon estimates. No actual figures were submitted. They merely

submitted surmises, and even under the figures submitted it is not clear that any additional amount will be necessary.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that no estimate was made and no Budget estimate was submitted for this item?

Mr. CANNON of Missouri. That is true.

Mr. Chairman, if there had been any desire to follow the regular routine, a very essential routine in these days when we are trying to balance the Budget, this item would have been submitted to the Bureau of the Budget. As a matter of fact, the Bureau of the Budget was not even consulted. They just came up here and threw it in without any of the usual advanced consideration, without any estimate and without the approval of the Bureau of the Budget, which has a very important function under our budgetary system of government. But in any event we have gone along and provided ample funds for the purpose.

In addition to this loan matter, the Senate added an amendment for \$12,000 for printing and binding for the Court of Claims. The previous appropriation is \$33,000.

We have agreed to a Senate amendment providing an additional \$3,435,000 for the Federal share of cost of State vocational rehabilitation programs. The previous appropriation is \$8,258,900.

This will take care of the needs for allotment to the States. There is also an increase in the vocational rehabilitation revolving fund of the Veterans' Administration from \$500,000 to \$1,500,000.

The fifth amendment involves no additional appropriation. It will enable the Navy Department to defray expenses in connection with the transfer to the United States of foreign vessels of war, including pay, subsistence, clothing, transportation, and repatriation of alien crews. That was agreed to by the House conferees.

The last item makes an initial appropriation of \$3,000,000 for the procurement of caskets for the bodies of soldiers of World War II to be returned to this country for burial.

Option will be afforded the next of kin, as in the last war, to determine whether they prefer those who fell in foreign lands to be returned for burial in the United States or whether they prefer to have them remain in the American cemeteries on the battlefields where they fell. It is estimated that eventually \$100,000,000 will be necessary for this purpose. This is the initial provision of \$3,000,000.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a unanimous report of the conferees. Frankly I think it calls for too much money in some of the items in disagreement, but it was the best settlement we could get out of the Senate. It is, as the chairman stated in his opening remarks, an emergency bill providing funds that must be had. You know this is an emergency administration. We have been in the throes of an emergency

administration ever since the 4th of March 1933. Just so long as this administration lasts we can count on being in the throes of an emergency and emergency legislation.

Mr. CANNON of Missouri. Mr. Speaker, I agree with the gentleman from New York that since 1933 we have met many emergencies. The preceding administration had brought on some of the most pressing emergencies in the history of the Nation—emergencies which it could not meet. The World War also precipitated unprecedented emergencies. The brightest chapters in American history are those which record the prompt and efficient manner in which the administration—from 1933 to 1946—has taken care of every emergency, foreign and domestic, successfully and effectually and to the satisfaction of everybody concerned, including all House and Senate conferees on this bill.

Mr. Speaker, if no one else desires to speak, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to; and a motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO SIGN ENROLLED BILL H. R. 5671

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Clerk be authorized to receive a message from the Senate on the bill H. R. 5671, and that the Speaker be authorized to sign the enrolled bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### DEMOCRATIC CAUCUS

Mr. McCORMACK. Mr. Speaker, I desire to make a brief announcement for the benefit of the Democratic Members.

On Monday afternoon at 4 o'clock, if the House has adjourned, or if not, immediately after the adjournment of the House, there will be a Democratic caucus for the purpose of electing a Democratic member of the Ways and Means Committee, there being one vacancy at this time.

#### EXTENSION OF REMARKS

Mr. FALLON asked and was given permission to extend his remarks in the RECORD and include an address delivered on St. Patrick's Day by the Most Reverend Lawrence J. Sheehan, auxiliary bishop of Baltimore and Washington.

Mr. HARRIS asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Post, dated March 19.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include a prize-winning poem entitled "Soldier Returning."

Mr. RANDOLPH (at the request of Mr. HEERICK) was given permission to extend his remarks in the RECORD and include a poem.

#### FEDERAL RURAL REHABILITATION PROJECTS

Mr. SABATH. Mr. Speaker, I call up House Resolution 545 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### CALL OF THE HOUSE

Mr. TARVER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 63]

Anderson, Calif.	Gathings	Patman
Andrews, N. Y.	Geelan	Patterson
Arends	Gerlach	Peterson, Fla.
Auchincloss	Gibson	Peterson, Ga.
Bailey	Gillette	Pfeiffer
Baldwin, N. Y.	Gillie	Philbin
Bell	Gore	Ploeser
Bloom	Green	Plumley
Bolton	Gregory	Powell
Bonner	Griffiths	Price, Fla.
Boren	Hall	Quinn, N. Y.
Buckley	Leonard W.	Rabin
Buffett	Halleck	Rains
Bullwinkle	Hart	Rayfel
Burch	Hartley	Reed, N. Y.
Burkin	Hébert	Rich
Byrne, N. Y.	Heffernan	Robertson,
Camp	Hinshaw	N. Dak.
Carnahan	Hoffman	Roe, N. Y.
Celler	Holfield	Rooney
Chapman	Holmes, Mass.	Ryder
Clements	Howell	Savage
Clippinger	Jackson	Sharp
Cole, N. Y.	Jensen	Sheppard
Colmer	Johnson,	Sheridan
Cunningham	Luther A.	Short
Curley	Johnson, Okla.	Sikes
Daughton, Va.	Kelley, Pa.	Simpson, Ill.
Dawson	Kelly, Ill.	Simpson, Pa.
De Lacy	Keogh	Slaughter
Delaney	King	Smith, Maine
John J.	Latham	Smith, Ohio
Dingell	Lea	Sparkman
Dondero	Lesinski	Spence
Douglas, Ill.	Luce	Stefan
Eaton	Lynch	Stockman
Eberthart	McKenzie	Sumner, Ill.
Ellsworth	McMillan, S. C.	Torrens
Engel, Mich.	Mason	Wa'ter
Engle, Calif.	May	Wastelewski
Fisher	Monroney	Whitten
Flood	Murphy	Wilson
Forand	Norblad	Winter
Fuller	Norton	Zimmerman
Gamble	O'Neal	

The SPEAKER. On this roll call 301 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### FEDERAL RURAL REHABILITATION PROJECTS

Mr. SABATH. Mr. Speaker, this rule makes in order the consideration of the bill H. R. 2501, known as the Hays bill. It provides for 1 hour of general debate, after which the bill will be read for amendment under the 5-minute rule.

This bill comes from the Committee on Agriculture. Although there was some question in the committee as to the bill, I understand an agreement has been reached by the committee, which believes that the bill should be passed despite the fact similar provisions are in the Cooley bill, because it is feared that the Cooley bill may take some time before it can clear the House and the other body.

In short, Mr. Speaker, this bill authorizes the Secretary to sell to World War veterans land for agricultural purposes. It has been stated that we have about 1,000,000 acres of land, a considerable proportion of which can be advantageously farmed. In view of the fact that many returning veterans are seeking to obtain permanent homes on farms on which they can provide for their families, I think this bill is in the right direction, because we cannot do too much for these returning men who have served our country so well.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MICHENER. Does this bill attempt to carry out the policy established by Rex Tugwell when he was in the Department, that is, placing people on farms where they could not make a living, even sending some of them to Alaska. I do not want to hold out hope to the veterans which fails to give them any security. I just do not want these boys to be fooled. I may favor the bill after the debate, but I want to be sure these veterans are not being sold a gold brick.

Mr. SABATH. I fully appreciate that my colleague, the gentleman from Michigan, has the interest of the veterans at heart, and that he would not favor any legislation which would not help them, as is intended, I believe, by this legislation.

To my surprise, however, the gentleman from Michigan seems to me to be unfair to call this the Tugwell program. He will recall that the purpose of the resettlement program was not alone to provide farms for ex-servicemen and the unemployed, but also to contribute to the Nation-wide effort to provide employment for the millions still unemployed that we inherited from the Republican administration, and all in sharp contrast to Mr. Hoover's policy of letting the American people starve. I concede that some of the projects and some of the farmers did not succeed. Of course, we always have some derelicts in every walk of life.

Under present law the Farm Security Administration is directed to sell the tracts in question as rapidly as possible; and that means that most of it is being



sold in large tracts to the highest bidder. Under the present law, the Secretary cannot delay the sales until the veterans get out of service and qualify themselves.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. TARVER. May I be permitted to reply to the question of the gentleman from Michigan? This bill gives to the Farm Security Administrator and the Department of Agriculture no authority which they do not already have with regard to selling these lands to veterans. The only material change in existing law is to repeal that provision of the Agriculture Appropriation Act, for which the House has voted many times, and for which it voted again on Monday of last week, which prohibits the maintenance of these so-called cooperative land projects except for purposes of disposition or liquidation. This bill would provide for the maintenance for 3 years after the war of these projects and would repeal that provision of existing law by implication and would authorize the making of appropriations in unlimited amounts as you will see by examining section 3, for the purpose of maintaining, developing, and carrying on these identical projects which Congress has many times disapproved.

Mr. MICHENER. It will carry on the Tugwell program?

Mr. TARVER. That is right, for 3 years after the war.

Mr. FLANNAGAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Virginia, chairman of the Committee on Agriculture.

Mr. FLANNAGAN. This legislation would not carry out a single project inaugurated by Tugwell or anyone else under the Farm Security Act. It only provides that those lands now owned by Farm Security that are susceptible of division into farm units be offered for sale to veterans first. It gives the veterans a preference. This legislation has attracted much attention and has been approved by a veterans' association of the United States.

Mr. SABATH. Personally, I do not see anything in the bill that could in any way operate against giving an opportunity to veterans of obtaining a piece of land on which they can make their livelihood.

If they require grazing land, naturally they will need as much as 400 acres. Nevertheless, I give the veterans credit for knowing what kind of land and how much land they can farm to advantage.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SPRINGER. What is the position of the various veteran organizations with respect to this measure?

Mr. SABATH. The veteran organizations I have heard from are in favor of this legislation. I do not see how any man who is interested in the veterans can be opposed.

From the study I have made and from the information I have obtained, the Committee on Agriculture, which has

given the matter a great deal of thought and consideration, feels it is bound to be of great benefit to 200,000 or more veterans who are seeking to establish themselves on the farm, because they realize the advantages agriculture and farmers are now enjoying. I do not blame them for wanting to go on the farms, where they will at all times have a roof over their heads, and will be able to raise enough to maintain themselves and their families. They will be in a much better position than the man who comes back to a job in a plant or factory or shop where, before he can obtain a living wage, he may have to spend 2 months or more without employment, and go out on strike, before he can obtain a living wage; whereas, these men on the farms will not be subject to such trials and tribulations.

Mr. Speaker, I believe I understood the gentleman from Pennsylvania [Mr. Gross] to say that farmers do not need any assistance from the town and city folks for whom the farmers must provide food.

If this bill passes and veterans of World War II are aided in obtaining suitable land for farming, as I hope they will be, the gentleman should have this much knowledge, that obtaining the land in itself will not make it possible for them to clean, clear, develop, and prepare the land for farming. It must be plowed, disked, harrowed, dragged, and planted, and the crop must be cultivated and harvested. For this, as he should know, all kinds of machinery, tools, and implements are needed—tractors, plows, wagons, cultivators, threshers, and so on—which the farmers surely do not themselves make.

All those things must be made in factories by labor in the towns and cities. The farmers must have homes to live in, barns and sheds. They must be clothed. They must have shoes, and many, many other things that are not grown on the farm, before they can put in a crop, harvest it, and ship it to market.

I hope, Mr. Speaker, he will concede that farmers are dependent on the city workers for the tools and equipment and supplies that make it possible for the farmers to produce the crop just as the city workers are dependent on the farmers for food.

I understand from the latest reports that we will have a greater crop than ever this year, exceeding even that of the banner years of 1944-45. I hope when these deserving men come back and get these farms they will continue to follow the best methods of successful farmers and will help to produce still greater crops, so that we can continue not only to provide for our own needs but also for many of those starving people across the seas.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman referred to a crop estimate for this year. Let me tell the gentleman that the crops estimated by the Department of Agriculture and reported this morning have not as yet been

planted, so it is rather like pulling something out of thin air.

Mr. SABATH. I know they have nearly always been correct in those things. I know also there are some gentlemen who invariably try to make the country believe there will be a shortage, shortage, shortage in everything. That is only for the purpose of boosting prices to the consumers. I do not believe in that. I believe these men experienced in agriculture know what they are doing. If they do not they ought to close up shop and we ought to stop appropriating millions upon millions for them.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. GRANGER. In response to the statement of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is it not a fact that estimate has been made for years and years?

Mr. SABATH. The gentleman is correct, as always.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield on that point?

Mr. SABATH. I yield.

Mr. AUGUST H. ANDRESEN. This is an interim extra crop report. The usual crop report is made on the 10th of the month. The crop report will come out on the 10th of April.

Mr. SABATH. And I hope it will be even better than is indicated by the report I read this morning.

Mr. AUGUST H. ANDRESEN. The gentleman comes from a great corn and hog producing State. The gentleman knows that the corn will not be planted in his State until sometime in May.

Mr. SABATH. I fully appreciate that. Although I do not know much about agriculture, I know that much; and I know a few other things as well, but I am not going to enlighten the House just now.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I understand several Members on this side of the aisle are opposed to the bill but I have learned of none who are opposed to the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS] and ask unanimous consent that he may proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JENKINS. Mr. Speaker, last fall, about October, Congress passed a tax bill providing for the repeal of excess-profits taxes and for carry-overs and carry-backs, and for the removal from the rolls of about 12,000,000 low-income taxpayers. Since its passage that law has provoked a great deal of discussion and some criticism. I think that if the bill were to come up for consideration at this time it might not pass. At that time it appeared that we were on the threshold of an era of prosperity, but that era now has slipped away from us. At that time people were hopeful and business was reconverting rapidly. The principal opposition at that time was

from those who felt that in view of the colossal national debt it was not wise to reduce taxes in any respect. Most of those who have recently been complaining did not complain at that time.

A great many Members of the House on both sides have indicated to me that they would like to have the facts with reference to this legislation, and especially to the features I have mentioned. I have had collaboration with one of our experts on the Ways and Means Committee and we have gotten together a compilation of the facts and figures which I believe will answer the questions and queries of those who have made inquiries.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and also ask unanimous consent that I may extend my remarks in the Appendix of the RECORD.

Mr. KOPPLEMANN. Mr. Speaker, reserving the right to object, I am interested in the gentleman's statement that if that bill were to come before us now it might not pass. Does the statement which the gentleman desires to have inserted in the RECORD deal with the reasons why that bill should not have been passed?

Mr. JENKINS. No; I would not say that it does especially. It is a statement of facts with reference to the whole program.

Mr. KOPPLEMANN. In the light of what has happened, may I conclude, from the gentleman's observation that the bill might not pass were it up for consideration today, that the handful of us who voted against that tax bill prophesied correctly?

Mr. JENKINS. If the gentleman gets any satisfaction out of that situation, he is entitled to it. As I have already stated, a number of people in the country opposed it.

Mr. KOPPLEMANN. In relation to the statement that the gentleman desires to put into the RECORD, I would like to know—

Mr. JENKINS. If the gentleman presses me on that, I will say those who have criticized the passage of that bill most sometimes forget to give credit to the other feature of the law which released from the payment of all taxes some 12,000,000 people in the lower tax brackets. The criticism that has come to this bill is that it passed back the carry-forwards and carry-backs to corporations. However, that bill was a well-balanced bill. It did some of that, but not nearly to the extent that some would have us believe. Instead of a \$22,000,000,000 carry-back, it was not more than about five billion. But it did release from the tax rolls about 12,000,000, many of whom would probably be opposed to the carry-backs and carry-forwards, while at the same time they would like to have the provision that was passed for their benefit. It was a well-balanced bill passed at a time when it looked as if the country was getting into an era of prosperity and progress. It may not be a well-balanced bill now because the conditions have changed materially.

Mr. KOPPLEMANN. It wasn't balanced as it came back from the Senate,

so far as corporation taxes were concerned. The relief to the 12,000,000 was a picayune item compared to the relief given the corporations. But the \$5,000,000,000 you mention would have balanced the Budget.

Mr. JENKINS. I would not agree with that statement. Every tax bill is a burden. None of them are popular.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the Committee on Patents may be permitted to file a supplemental report to accompany H. R. 3756.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, I hope the membership of the House will give me their attention while I endeavor to discuss the subject matter which is now under consideration. This is a proposal to repeal by indirection a part of the Agricultural Appropriation Act of 1946. In view of the statement which was made by the Chairman of the Committee on Agriculture when he interrupted the gentleman from Illinois [Mr. SABATH], and his evident misconception of the purposes of the bill which was reported by him, I desire to read from his own report submitted to this House on December 17, 1945, as follows:

The primary object of the bill is to direct the partial suspension, for a period not to exceed 3 years from the termination of the present war, of the requirement contained in the current Department of Agriculture Appropriation Act (59 Stat. 136) to liquidate as expeditiously as possible resettlement projects and rural-rehabilitation projects for resettlement purposes, in order to permit development and sale of the property to veterans without precluding equitable treatment of present project occupants.

Now, what is the provision of the Agricultural Appropriation Act of 1946 which it is desired to repeal by indirection?

I read from page 28 of that act:

None of the moneys appropriated or otherwise authorized under this caption "Loans, grants, and rural rehabilitation", shall be used for (1) the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program; or (2) the carrying on of any operations in collective farming, or cooperative farming, or the organization, promotion, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land purchasing for colonies of rehabilitants or tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated.

In other words, this bill proposes to remove the limitation which has been carried for several years and for which this House voted again without a dissenting voice on Monday of last week in H. R. 5605, the Agricultural Appropriation bill for next year, preventing the

use of funds carried in the bill for carrying on and maintaining these projects, by providing that they may be maintained and carried on for a period of 3 years after the war for the purpose of selling them to veterans or to present occupants of the projects.

There is no necessity for any additional law in order to sell these lands to veterans. The Farm Security Administration is selling them to veterans now. It is carrying on now the identical policy which is provided for in this bill with the exception of that part of the bill which seeks to repeal the inhibition against maintaining these cooperative land projects to which I have referred for other purposes than liquidation.

Let me read to you what they propose to do here in section 3:

There is hereby provided to be appropriated such amounts as may be necessary to carry out the purposes of this act, including, without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to accomplish the purposes—

What purposes? For selling to veterans? No—

the purposes for which such properties were acquired.

For what purposes were they acquired? They were acquired in part for the purpose of carrying on the communal farming operations on huge tracts of land acquired by the Farm Security Administration. They were acquired for purposes which this House has many times disapproved and against which it has legislated in the passage of several agricultural appropriation acts. Now it is proposed, and it is frankly stated in the report of the committee, that it is the primary purpose of the legislation to repeal that inhibition. If the gentlemen want to repeal that inhibition they should have made the proposal on Monday of last week when the Agricultural Appropriation bill was being passed by the House, because we had in that bill this identical limitation which has been carried heretofore, and not a member of the Committee of the Whole rose to suggest that any change ought to be made in that limitation.

Our Subcommittee on Agricultural Appropriations has been studying this matter for a number of years. We have sought to correct abuses which grew up in the operations of the Farm Security Administration. The gentleman from Arkansas, the author of this bill [Mr. HAYS], was one of the officials of the Farm Security Administration when some of these abuses were being carried on, and one of the most outstanding of them was the communal project at Lake Dick, Ark., in his State. We have tried to stop the wastage of public funds, and the endeavor to encourage communal farming along the lines of practices of Soviet Russia. We have sought to bring about the liquidation of these 1,800,000 acres of land owned by the Farm Security Administration and operated largely for these purposes, and they have been liquidated down to about 600,000 acres of land which they now own. This report says, I believe, some 1,100,000 acres, but that is when the re-



port was written. The land is down now to 600,000 acres. If you will refuse to pass this bill, we will soon get the Farm Security Administration out of this co-operative land-project business.

Who wants to turn the veterans of the United States into this sort of a program? What veteran has ever asked for it? Somebody of course persuaded John Thomas Taylor to write a letter to the Members of Congress, which letter on its face indicated that he did not know what he was talking about, indicating that the veterans were interested in an attempt to maintain these programs for their benefit, but if you will read the report on the bill itself you will find that Mr. Taylor on the face of his letter did not know what he was undertaking to discuss and, in my judgment, he does not represent a half a dozen veterans in the United States; that is, with regard to this matter.

In the report of Marvin Jones, who was then War Food Administrator, he said:

Other than the suspension of the liquidation mandate in order to develop and sell the property to veterans as provided by the bill, the bill would not appear to authorize Farm Security Administration to carry on any program or activity proscribed by Congress under existing law.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia.

Mr. TARVER. It is perfectly clear from a letter which I have here from the present Administrator of the Farm Security Administration that all the authority contained in this bill with the exception of that in regard to maintaining, developing, and carrying on these cooperative land projects for a period of 3 years after the war the Farm Security Administration already has. I read from that the bill will "limit sales of such developed or subdivided lands to only present occupants or veterans."

Then he states what he is doing under existing law:

In connection with the expeditious, though orderly, sale of project properties, economic farm units are being sold at earning capacity values to low-income farmers meeting the standards of eligibility set out in the Bankhead-Jones Farm Tenant Act (including veterans eligible under such standards), and upon the same terms as applicable to loans under the act.

In other words, everything in this bill that could be insisted is good is already provided for by law. The only thing that is bad, and the thing which it is attempted to bring about again after it has been stopped by Congress, is the maintenance of these so-called cooperative projects. I certainly hope that the House, which has heretofore adopted many times a position with reference to this subject, will not permit this to be done under the guise of helping the veterans. It is not going to be of any assistance to them.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Why would it not be proper just to give the veterans a preference for the purchase of this land and let them buy it outright?

Mr. TARVER. They are being given preferential consideration by the Farm Security Administration. I am in favor of selling the land to veterans, if they want it. The Farm Security Administrator now will sell veterans the land that has not been disposed of, if they want it. There is no necessity for providing unlimited funds to carry on co-operative land projects in order to bring about that result.

The letter from the Farm Security Administrator regarding this bill which I have permission to insert reads as follows:

UNITED STATES DEPARTMENT  
OF AGRICULTURE,  
FARM SECURITY ADMINISTRATION,  
Washington, March 19, 1946.

HON. MALCOLM C. TARVER,  
House of Representatives,  
Washington, D. C.

DEAR JUDGE TARVER: This is in response to your recent oral inquiry with respect to H. R. 2501—"A bill to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes."

It appears that if enacted the bill would authorize the suspension of the liquidation mandate for a period not to exceed 3 years in order to:

1. Allow the Farm Security Administration to develop and subdivide the project property into economic family-type units.

At the present time the Farm Security Administration does not have authority to spend appropriated funds for the development and operation of project properties except in connection with expeditious liquidation of such properties.

2. Limit sales of such developed or subdivided lands to only present occupants or veterans.

In connection with the expeditious, though orderly, sale of project properties, economic farm units are being sold at earning-capacity values to low-income farmers meeting the standards of eligibility set out in the Bankhead-Jones Farm Tenant Act (including veterans eligible under such standards), and upon the same terms as applicable to loans under the act.

3. Permit present occupants or veterans a period within which to establish their eligibility to acquire their present units, if suitable, or to acquire other developed or subdivided project units.

The present direction from the Congress is to expeditiously liquidate project property.

Originally there were 1,856,000 acres included in the project properties to be liquidated. Two-thirds of this land has been disposed of in accordance with the direction from the Congress, leaving 633,000 acres unsold. A portion of this acreage is not suitable for subdivision into economic farm units and subsequent disposition to veterans or other eligible applicants. For example, six land-purchasing associations have 330,000 acres of land acquired almost wholly for grazing purposes which cannot be practically subdivided into family-size economic units. Other units containing community facilities and utilities are not suitable for farming purposes. It is estimated that of the unsold land only about 105,000 acres are suitable for subdivision into economic farm units. Approximately 15 percent of this land is developed and would be sold to project occupants if H. R. 2501 is enacted. The remaining 85 percent, if developed and subdivided, would produce approximately 850 economic family-size farm units for sale to veterans.

We will be glad to furnish you any additional information you may wish.

Sincerely yours,  
DILLARD B. LASSETER,  
Administrator.

(Mr. TARVER asked and was given permission to revise and extend his remarks and include a letter he had received from Mr. Lasseter.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois (Mr. DIRKSEN).

Mr. DIRKSEN. Mr. Speaker, I might say to you today, "Behold the resurrected ghost of Rexford Guy Tugwell." He began resettlement back in 1935 under an Executive order. I do not recall in its entirety the number of millions of dollars we entrusted to what I am frank to say is the careless sense of responsibility of Rexford Tugwell, but he has long since been removed from the scene and has gone on to larger fields to nationalize all the land in Puerto Rico. I understand he has come to the end of his accomplishment there and soon will assume a pedagogical position in a midwestern university. I say that only for purposes of background, because here we have an endeavor now to continue for 3 years after the end of the war the projects that the subcommittee on agricultural appropriations has made a diligent endeavor to liquidate. When is 3 years after the war? I presume it will be 3 years from the day when the President proclaims the end of the emergency or Congress passes a concurrent resolution. Whatever it is, you can use your own yardstick and figure 3 years from that day that these projects will be kept in an operating condition until the Secretary of Agriculture at his pleasure undertakes to cut up these lands that are illable and turn them over not alone to veterans, but also to the present occupants of these projects. There are a good many of those occupants. I believe the purpose of the whole bill is confessed in its title where it says:

To authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects.

That is the whole story in a nutshell. It would give him authority to improve these projects. It would give him authority to better these projects. As the gentleman from Georgia, Judge TARVER, has so well pointed out, there is an open-end appropriation here providing for such funds as may be necessary to carry out the purposes of this act, "without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to accomplish the purposes for which such properties were acquired."

That simply means the continuation, as I see it, of these properties after we have made such a diligent effort to get them liquidated. First of all, let me direct your attention to our fiscal experience with them. It is all recited here in this huge ponderous 2,000-page tome which are the hearings on the Agriculture Appropriation bill for 1947. The projects we have already sold cost us \$49,000,000. We sold them for \$29,500,000 and took a

loss of \$19,500,000. The operations expense was \$12,800,000 and the operations income was \$8,500,000. So that the net operating loss was \$4,300,000. That is not the whole story. You see, when this bare land was acquired and they began to build houses and pectin mills and hosiery mills and garment factories and all that sort of thing, there was a development cost. On that development cost, according to Mr. Lasseter, the present Director of the Farm Security Administration, we sustained another loss of approximately \$19,000,000. That is \$33,500,000 plus \$4,300,000, which is substantially about \$43,000,000. Now should we give to the Secretary of Agriculture the authority to continue them for another 3-year period beyond the end of the war, whenever that may be, when the Farm Security Administration already has the authority to divide them up and when it already has the authority to sell them to veterans in economic farm units? Why should we continue this business? One of the amazing things about the report that goes with this bill is that it is dated May 5, 1945. It is 10 months old. Let me give you more current figures, the figures that were submitted to us just a month ago. You will find them on page 1390 of the hearings. Do you know how much of this tillable land is left that can be developed into economic farm units? I let Dr. Lasseter, the Farm Security Administrator, speak. He says:

Approximately 632,000 acres remain unsold, of which 400,000 acres is in grazing, cut-over timber, and undeveloped land. The remaining 232,000 acres is in land usable as individual farms.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TARVER. In the letter from Mr. Lasseter which I placed in the Record, he states that the acreage has now been reduced to 105,000 acres, capable of being subdivided into 850 farm units.

So what we are talking about is maintaining this program in order to provide 850 farm units for veterans, which they can already buy if they want to.

Mr. DIRKSEN. Exactly so.

Now, about an hour ago we passed the second urgent deficiency appropriation bill. I sat in on the conference this morning with the Senate. Finally, an item crept into that bill that did not even go to the Budget Bureau. It was messaged to the Senate. It called for an additional \$25,000,000 for rural rehabilitation loans and loan funds, of which \$15,000,000 was to be earmarked for veterans. We finally compromised and made it \$12,500,000, all of which can be expended in behalf of veterans.

If the Farm Security Administrator was so disposed, he could use all of it for veterans. That was our understanding when we came out of conference this morning. In the course of the conference it was recited to us that there are some 20,000 veteran applications for farm tenant purchase units and for rural rehabilitation loans, and all that sort of thing. There is not any question but that the veterans want it, but if you have got 20,000 applications and you are

going to have 850 units—it is 105,000 acres—how quickly all of it is going to be disposed. But why, in the name of common sense, continue for 3 years the liquidation of this solemn farce that was perpetrated on the country since 1935 by an impractical visionary, as a result of which we spent millions and millions of dollars out of the Federal Treasury? Are you going to perpetuate that sort of thing? It will not be a service to the veterans but a disservice, because Mr. Lasseter already has authority to sell the usable farm acreage to veterans as quickly as he can process the whole liquidation program. Let us not do it.

I have such affection for my friend from Arkansas that I am reluctant to oppose this bill, but we have worked for years in the Subcommittee on Agriculture, when a very ingenious chap by the name of C. B. Baldwin, who is now managing director of the Political Action Committee in New York, was Administrator of Farm Security. We had a difficult time, as the gentleman from Georgia, Judge TARVER, so well knows, to bring them around to the point where we could liquidate these projects. Always he was so elusive and so unresponsive in his answers. Every year we had to crowd him in order to get the Government out of this land business, to liquidate the hosiery mills, the garment plants, cannery plants, sweetpotato dehydrating plants, starch plants, turpentine and rosin plants, all of which were built as an incident to these resettlement projects, every one of which has failed.

On the Committee on Agriculture were the very fine gentlemen who were on a subcommittee of which our good friend from North Carolina [Mr. COOLEY] was the very able chairman. They made one of the finest reports that I think was ever presented to this House. You will remember what they said in that report. I suggest you fortify yourself with a copy of it. It is House Report 1430, Seventy-eighth Congress, second session.

On page 23 of the report they said:

The committee has found it imperative to provide a clear and definite authority for liquidation of resettlement and rural rehabilitation projects in the Farm Security Administration.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman one additional minute.

Mr. DIRKSEN. That is what we have been trying to do. But here is a proposal today, supposedly in the interest of the veterans, when, as a matter of fact, by its own language, it is not limited to the veterans. The present occupants of the property become the beneficiaries of this, but there is a possibility now of continuing these costly projects of our old friend Rexford Guy Tugwell, when it is not necessary, and in so doing it will cost more administrative money out of the Federal Treasury. Let us not do it.

Mr. BRADLEY of Michigan. I just wonder how many legislative proposals and legislative sins will be enacted in the name of the veteran.

Mr. DIRKSEN. I am afraid some will be. There is therefore thrust upon us

a double responsibility to be diligent to see that what we do in his behalf is sound and valuable.

Let me observe in conclusion that my purpose is to direct attention to the weaknesses and objectionable features of this bill in its present form.

Peradventure it can be amended in the Committee of the Whole and revamped so that it will be a feasible workable bill which will not impede the liquidation progress we have thus far made on resettlement projects and at the same time develop benefits for the veteran.

If it is so amended I shall support it, but if not I shall be compelled to vote against it.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, as has already been said by the distinguished gentleman from Illinois, this bill was reported by the Committee on Agriculture last May. There is no reason why it should not have been passed by the House on the Consent Calendar. It is a very simple bill. There is no ghost of Rexford Tugwell running through this bill. It is silly even to talk about anything of that sort in connection with this bill. The sole purpose of the legislation is to enable a few veterans to acquire farm homes. Had the bill been passed when the committee reported it last May after a similar bill had been passed by the Senate it would have enabled a good many veterans to have acquired farm homes by this time. But it has not been passed, time has gone on, and now there is only 100,000 acres of this land left available for veterans. I hope that today we are not going to be misled by talk over the crimes and sins of the Resettlement Administration and the Farm Security Administration in the past, into voting down the rule or a simple little bill to give a few veterans an opportunity to buy farms.

I was a member of the Cooley committee to which the gentleman from Illinois paid such a fine tribute a little while ago. I know all about the projects he referred to, the hosiery mills, the communistic type of farms, and all that sort of thing; and I commend the gentleman from Illinois and the gentleman from Georgia and their committee on the work they have done in liquidating these projects. They have done a fine job. I am in thorough accord with what has been done up to date toward liquidating these projects. But now the war is over. We have veterans who are looking for farm homes. All this bill does is to give these veterans that opportunity. It does not do what the gentleman from Georgia says it will do.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. Not at this moment; I am sorry. The bill does not do what the gentleman from Georgia says it will do, perpetuate for 3 years this program, because it is specifically provided in the bill that nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as it is deemed practicable by the Secretary consistent with the purpose of this act.



We clearly make an exception of these tracts that are not suitable for settlement by veterans. There are only about 100,000 acres out of somewhere between five and six hundred thousand that are suitable for settlement. That is all that is involved. It is a simple little issue.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. DIRKSEN. Does not the gentleman from Kansas agree that the Farm Security Administrator has authority now to divide up this land into economical farm units and to sell it to veterans? Why pass this bill if he can do it under existing law? Why not proceed with the liquidation rather than take a chance on hindering expeditious action if we pass this bill?

Mr. HOPE. I can only answer by saying that much of this land has not been sold to veterans. It has been sold mostly in large tracts and that is because the language of the legislation under which it is being sold provides that it shall be sold to the best advantage of the Government. A lot of this land is in large tracts.

It is not improved. Now, a large unimproved tract cannot be sold to a veteran for a farm home. He is not in position to handle it that way. So this bill simply provides that we can divide up these 100,000 acres into economic units, take care of the necessary improvements on it, and sell the land to the veterans.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman the balance of the time on this side.

Mr. ROBSION of Kentucky. May I say that in my district there is one of these resettlement projects. Recently the Farm Security Administration did sell it, but gave preference to those already having possession.

Mr. HOPE. This bill also does that.

Mr. ROBSION of Kentucky. Does this bill do the same thing? Does it give preference to those who are living on the property?

Mr. HOPE. The committee felt that those people who are on the land and who have been told that they would have an opportunity to buy it should retain that preference.

Mr. ROBSION of Kentucky. The second preference is to the veterans?

Mr. HOPE. Yes. It is an equal preference, as far as that goes.

Mr. ROBSION of Kentucky. In what way does this bill offer an advantage over the present law?

Mr. HOPE. At present much of the land is in large tracts, it is not improved, and it can only be sold to advantage by selling it to a large purchaser, for use as a plantation perhaps. Under this bill it is provided that the land can be divided into suitable tracts, improved and sold to the veterans.

Mr. ROBSION of Kentucky. If we pass this bill we are not doing any greater harm than we did in passing the other bill?

Mr. HOPE. No.

Mr. ROBSION of Kentucky. How does the gentleman arrive at this 100,000 acres of land?

Mr. HOPE. That is the report from the Farm Security Administration.

Mr. ROBSION of Kentucky. I thank the gentleman.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. As I understand it, there are about 850 farm units; that is, you can divide this land into about 850 farm units?

Mr. HOPE. That is an estimate that has been made by the Farm Security Administration. That is an approximate number.

Mr. REES of Kansas. The present occupants of the land have a preference along with the veterans, or do the occupants have the first right?

Mr. HOPE. Well, on the tract where there is an occupant already, I assume they would have the preference but, of course, on much of this land which is in large tracts there are no occupants and no improvements.

Mr. REES of Kansas. If the occupants have the first right there would not be very many veterans you could take care under this bill, would there?

Mr. HOPE. As I understand it, there are very few occupants on this land.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. SABATH. Is it not a fact that the present law provides that the land must be sold to the highest bidder, and can be sold in 10,000-acre tracts? This bill gives the veterans a preference, does it not?

Mr. HOPE. It provides that it must be sold to the best advantage of the Government. Most of it is unimproved land and can only be sold to those who are interested in that type of land.

Mr. REES of Kansas. The Farm Security Administration if it sells to a veteran, either with or without this act, can let the purchaser have all of the purchase price; in other words, a veteran will be lent all of the money anyhow whether we have this act or if we follow the act which is now in effect. Is that not correct? In other words, the Farm Security Administration lends the entire purchase price of the land it sells to a veteran?

Mr. HOPE. If it is an unimproved tract of land there would be no authority by which a veteran could secure a loan for the improvements.

Mr. DIRKSEN. He could get a Rural Rehabilitation loan.

Mr. HOPE. No; I do not think under those circumstances he could do that. Even if he could, the funds available are limited.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman knows, in response to the question of the gentleman from Illinois [Mr. SABATH], that there is nothing in the world to the proposition of selling the land in 10,000-acre tracts.

Mr. HOPE. No; and I made no such statement.

Mr. TARVER. I know the gentleman did not, but the gentleman from Illinois

did. As a matter of fact, the Farm Security Administrator is now selling this land in small tracts to individual buyers and is refusing to make sales of the entire tracts of land involved when they can be sold in small tracts to individuals. The gentleman, I presume, has been informed by the Farm Security Administrator that that is his policy.

Mr. HOPE. A good deal of the land, of course, has been sold in large tracts because it was the only way that it could be sold under existing law.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I would like to ask the gentleman if he regards the language as broad enough to include farm lands that the Department of Agriculture owns, which have been acquired under allotments made by the Secretary under appropriations under the Wheeler-Case Act.

Mr. HOPE. I would not think so. I do not think the committee had that understanding.

Mr. CASE of South Dakota. It seems to me the language which says, "and other like enterprises, heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary," is broad enough to extend this authority for these lands which are now administered by the Soil Conservation Service and which were acquired by the Department of Agriculture by funds appropriated to it.

Mr. HOPE. I can only say that I am quite sure that none of those lands were considered as being included under this authorization when the bill was under discussion in the committee.

Mr. CASE of South Dakota. Whether they have been included or not, if the language is broad enough to include them by saying "for similar purposes, and financed, in whole or in part," it certainly would include them.

Mr. HOPE. I am very doubtful about it, but I would be glad to look into it, and there will be an opportunity to look into it before we finally dispose of the bill.

Mrs. MANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentlewoman from Georgia.

Mrs. MANKIN. Did the gentleman say that most of these lands are unimproved lands?

Mr. HOPE. Yes; that is my understanding.

Mrs. MANKIN. Then I do not see how you are going to arrive at the earning capacity value of these lands. Section 2 says that these lands are to be disposed of at the earning capacity value.

Mr. HOPE. I believe that could be rather readily determined by taking into account similar land in the same area. I do not believe there will be any difficulty about that.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, I believe the gentleman from Arkansas [Mr. HAYS] should be highly commended for his foresight in introducing his bill. It was introduced some time before it was

reported. The Committee on Agriculture has gone into the bill very thoroughly, and I hope the rule on same will be adopted. This bill will provide approximately 850 agricultural farm units for the veterans. There are not sufficient funds in FSA to provide for anything near the needs of the veterans, much less the civilians. There is no trace of Tugwell administration in these particular units. We thrashed that out before, and we should not drag Tugwell into the picture. These sales would also help prevent inflation; they will more or less stabilize the prices in the various localities, and indirectly aid other veterans. I really hope the Members of the House will adopt this rule, and I hope the bill itself will receive your favorable consideration.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, I do not yet understand how such a simple little bill can create so much confusion and so much misunderstanding. There is nothing complicated about this legislation. It is only an effort to give the veterans an opportunity to buy that part of the lands still owned by the Farm Security Administration that is susceptible of partition into family-size farm units.

The opponents of this bill try to bring in the administration of the Farm Security Administration under Mr. Tugwell and others. I was a member of the Cooley committee and I suspect I was the most severe critic upon that committee of these crack-pot Tugwellian projects. I stand by every word in the report.

What does this bill do? We find that the Farm Security Administration has reduced its acreage from approximately 2,000,000 acres to about 600,000 acres. There is probably 100,000 acres of the land left that is fertile farm land susceptible of division into family-size farm units. The only thing we are trying to do is give the veterans preference to buy that part of the land that can be divided into farm units.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman says there are 100,000 acres susceptible of division and sale. In my congressional district there is a project embracing 37,000 acres. The Government bought that land a number of years ago and the Government has made a profit on the land as it now stands. It is not developed. There are many people who would buy the land today and pay the Government a good profit, but the people locally are of the opinion, and I agree with them, that veterans should have the right to buy this land either in an improved or in an unimproved state, and establish homes thereon.

Mr. FLANNAGAN. If this legislation is passed, that object will be accomplished.

Mr. MAHON. The veterans will get the right to buy that land.

Mr. FLANNAGAN. The veterans will have the first call on the Farm Security Administration for that land.

This legislation does not continue a single Farm Security Administration project. The legislation was submitted to the War Food Administrator, at that time Marvin Jones, and he made a favorable report. It was cleared by the Bureau of the Budget. Who is Marvin Jones? Marvin Jones did as much to clean up the Farm Security Administration as any man in the United States. When the Cooley committee developed the facts, we went to Mr. Jones and got Frank Hancock put in as the Administrator. He did a good job of cleaning out the mess that the Farm Security Administration had gotten into. If you will read Mr. Jones' letter, which appears in the report we filed, you will find that he states that this legislation does not continue a single one of these projects. It only gives the veterans an opportunity to buy the fertile farm land that the Farm Security Administration now owns if that land can be divided into family-size tracts. That is all this legislation does.

The SPEAKER. The time of the gentleman from Virginia has expired. All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes.

#### CALL OF THE HOUSE

Mr. TARVER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 64]

Andresen,	Curley	Healy
August H.	Dawson	Hébert
Andrews, N. Y.	Dingell	Heffernan
Arends	Dondero	Hinshaw
Auchincloss	Douglas, Calif.	Hoffman
Bailey	Douglas, Ill.	Holmes, Mass.
Baldwin, N. Y.	Ellsworth	Hook
Barden	Engle, Calif.	Howell
Barrett, Pa.	Fisher	Jackson
Bender	Flood	Kefauver
Bloom	Forand	Kelley, Pa.
Bolton	Fuller	Kelly, Ill.
Bonner	Gamble	Keogh
Buckley	Gardner	Klein
Buffett	Gathings	Knutson
Bunker	Gerlach	LaFollette
Byrne, N. Y.	Gibson	Latham
Byrnes, Wis.	Gillette	Lynch
Carnahan	Gillie	McKenzie
Celler	Gore	Mason
Chapman	Green	Murphy
Clippinger	Gregory	Norblad
Coffey	Hall	Norton
Cole, N. Y.	Leonard W.	Patman
Colmer	Halleck	Patterson
Crawford	Hart	Peterson, Fla.
Cunningham	Hartley	Peterson, Ga.

Pfeifer	Rooney	Spence
Philbin	Savage	Stefan
Ploeser	Shafer	Stockman
Powell	Sheppard	Sumner, Ill.
Quinn, N. Y.	Sheridan	Sumners, Tex.
Rabin	Short	Thomas, Tex.
Rains	Sikes	Torrens
Rayfield	Simpson, Ill.	Walter
Reed, N. Y.	Simpson, Pa.	Wasielewski
Rich	Slaughter	Whitten
Robertson,	Smith, Maine	Wigglesworth
N. Dak.	Smith, Ohio	Wolfenden, Pa.
Roe, N. Y.	Smith, Va.	Zimmerman

The SPEAKER. On this roll call 316 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### FEDERAL RURAL REHABILITATION PROJECTS

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. FLANNAGAN] that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2501.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2501, with Mr. PRIEST in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FLANNAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, there is substantially little difference between the gentleman from Georgia and myself in considering the fundamental purposes of what is known as the Tarver amendment, which gives to the Department of Agriculture a mandate to liquidate as expeditiously as possible the property held in what is known as resettlement projects. In general I favor the policy Congress adopted in that amendment and has reiterated from time to time. It is my purpose in introducing the bill simply to give to the veterans of this war a preference in the purchase of the lands being liquidated under that amendment. The gentleman from Virginia [Mr. FLANNAGAN], the chairman of the Committee on Agriculture, and the ranking minority member, the gentleman from Kansas [Mr. HOPE], have stated the purposes of this bill. They know its purposes because they heard the bill fully debated before their committee. I will be content to leave to them the explanation of the measure. However, I appreciate the chairman's giving me this time to speak briefly on the bill, and it would be in order for me to give a brief history of my association with the measure.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. A little while ago the remark was made that John Thomas Taylor represented about half a dozen veterans in the United States. May I ask the gentleman just what status this gentleman holds, and can he shed any light on how accurate that statement is?



Mr. HAYS. Mr. Taylor is chairman of the national legislative committee of the American Legion and speaks not on his own authority but on the authority of the 1945 convention of the American Legion, which in its national meeting endorsed this bill, at the behest, I might add, of the American Legion of Arkansas.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. MURDOCK. I congratulate the gentleman on bringing in this bill. I can recall that last year when a similar bill giving preference to the veterans on lands irrigated by the Bureau of Reclamation was before this House the gentleman gave hearty support to that bill. This is a splendid bill of identical intent and I hope it is passed. In both measures the gentleman from Arkansas, author of the bill, has shown himself a true friend of veterans.

Mr. HAYS. Since the gentleman has asked me to yield, may I interrogate him? He is familiar with the bill before the House. It is my purpose to give to the veterans under this measure the same preference that is given them with reference to lands that are under the jurisdiction of the committee of which the gentleman from Arizona is chairman, and that was embodied in the bill H. R. 520.

Mr. MURDOCK. That is correct. Those two bills have the same intent, that is, to give veterans preference in acquiring title. I think that when both of these bills are enacted, as I hope they will be, we have yet much more to do in order to give the veterans the preference to an adequate number of units of land which they ought to have. Both bills, H. R. 520 and this bill, H. R. 2501, are good proposals with the same purpose, but the enactment of both together would be far less than the Government should do to keep its promise to land-hungry veterans.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. GOSSETT. There is nothing in your bill that alters or amends the provisions in Public Law 457, known as the Surplus Property Act, is there?

Mr. HAYS. Not at all. I am glad the gentleman asked that question.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. TARVER. Assuming that the gentleman is in good faith in his statement that all he intends to do is provide for the disposition of this property and waiving the question as to whether or not the law already makes provision for such disposition, would the gentleman agree to an amendment which would substitute for the words in lines 7 and 8, on page 1 of the bill, "maintain, administer, and utilize for such period as he may deem necessary until disposal thereof," the words "to dispose of within a period of 3 years after the enactment of this act, or such shorter period as may be sufficient for that purpose," or words to that effect?

Mr. HAYS. I have not seen the gentleman's amendment.

Mr. TARVER. I have not drafted the amendment yet. But if the gentleman only wants to provide for the disposal of the property and the liquidation thereof, while I think that is already provided for by law, I would have no objection to his proposal, provided the language in section 3, which would authorize the maintenance of the projects with unlimited appropriations, is also stricken. But if the gentleman will amend his bill so that it will simply provide for the disposal of the land as expeditiously as possible, I certainly would have no objection to that because I think the law already so provides.

Mr. HAYS. I rather think I can agree to the amendment which the gentleman proposes because I can assure him that it is my purpose not to interfere with the expeditious liquidation of the property. But I would not want to limit the 3-year period unduly because I want to give the Department of Agriculture time to plan for the sale of this land in family-sized units to veterans who have farm experience and who can qualify.

Mr. TARVER. I feel sure that nobody has any objection to the sale of the land to veterans. All of us would like to see that done if the veterans want the land. But the thing that is objectionable is the proposal to continue the operation and maintenance of these cooperative land projects and to authorize the appropriation of unlimited amounts of money therefor. I shall draft the amendment I have in mind and submit it to the gentleman for his consideration.

Mr. HAYS. I will be glad to consider it.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. If that is the only objection that the gentleman from Georgia has to this legislation and if he can make the language of the bill clearer by an amendment along the lines that he has suggested, I am sure the committee will accept such an amendment, because that is the construction we placed upon the bill as drawn.

Mr. TARVER. I shall be very glad to draft the amendment as soon as possible and submit it to the chairman of the committee and the author of the bill for their consideration and I hope it may be possible for them to agree to it.

Mr. HAYS. I thank the gentleman. I am sure he will find all of us very cooperative in an effort to work this out, because I know certainly it is not the purpose of anyone to withhold from veterans any opportunities that it may be possible to extend to them to engage in farming.

Mr. Chairman, while I do not want to detain the House longer, I would like to make further reference to my relationship to the measure and will do so very briefly. My response to the question of the gentleman from New York almost covered the subject. There was considerable land in Arkansas that came in this category. The American Legion of Arkansas urged that this land, much of it very fine farming land, ought to be sold to veterans. The first survey that was

made showed that 600,000 veterans in the United States with farm background were going to seek farming opportunities when they came out of the armed services. That was about the same as the number that were looking for industrial opportunities. That number has risen until it is now estimated that a million young men formerly in the service are looking for farm opportunities. We cannot do a great deal for them, I grant, as far as this measure is concerned. I want to be fair. I am trying to be conservative in projecting the good results of this measure. The gentleman from Kansas covered it pretty well. He referred to the fact that the testimony before his committee indicated there are probably less than a thousand farm units that would be available for the veterans at this time.

I now yield the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. On line 21 of page 2, these words appear:

and to present occupants of such land.

As I interpret those words, preference under this act would not only be given to veterans but also to the present occupants of the land. Suppose a present occupant of land and a veteran would walk into the office of the individual having charge of the sale of this property, and both of them expressed a desire to purchase an identical piece of land, which would have preference?

Mr. HAYS. This provision to which the gentleman refers was put in by the committee, and it was on the recommendation, I think, of Judge Marvin Jones.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HAYS] has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. POAGE. It was called to our attention that some of this land is now occupied by individuals who are renting from the Government with a contract for purchase. They do not have title to the land. The Government has the title, but to pass a piece of legislation that would make it impossible to ripen those sales contracts into title would obviously be unfair to those people, and the wording is in there to protect the word of the United States Government where we have that kind of provision outstanding, as we do have in a great many cases.

Mr. ABERNETHY. If the gentleman will yield further, that does not answer my question of why it was put in.

Mr. HAYS. I yield to the distinguished gentleman from Virginia.

Mr. FLANNAGAN. That was discussed by the committee. As the gentleman from Texas [Mr. POAGE] stated, there are certain occupants of some of these lands at this time. The contractual rights that those occupants have with the Government will have to be protected. If they do not have any rights that have to be protected, then the veteran gets the preference.

Mr. HAYS. That is my understanding. It was because of the fear that some equitable claim of an occupant

might be forfeited if it were not inserted that the language was put in for that purpose.

Mr. ABERNETHY. Will the gentleman let me follow that for a moment?

Mr. HAYS. I have one other matter I would like to discuss if the gentleman will let me go ahead for a minute.

I want to refer to a comment of the gentleman from Georgia [Mr. TARVER], who suggested that the language "without limitation," appearing on page 3 with reference to improvements, was too broad, and to point out that that will be corrected by a committee amendment. I think that can be satisfactorily met when the committee amendment is offered.

Also, the language to which the gentleman objected, on page 3; that is, "the purpose for which such properties were acquired." The gentleman from Georgia suggested that that might reaffirm some instructions to engage in collective farming. In order to be sure that that is not susceptible of that construction, the language should be changed, and the committee has an amendment to offer on that point.

I am trying to say just this, that we are making an effort to get the language of the measure in form so that this House can do what I know a majority of the Members want to do; that is, to give the veterans preference and provide for the purchase of family-sized units.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. MAHON. I would like to have the gentleman state the requirements a veteran would have to meet. In other words, if a veteran wants to buy one of these tracts, is it necessary for him to be in a low-income bracket, or could any veteran who is able to buy land and wants to occupy it as a home compete on a basis of equality with all other eligible veterans?

Mr. HAYS. Eligibility is determined in section 2 and refers to title I of the Bankhead-Jones Farm Tenant Act. I believe the gentleman will agree, will he not, that it would hardly be fair to open the doors altogether to veterans without experience, without farm background and farm experience. If you found from the city someone with an agricultural education he might offer prospects for success, but there have to be some criteria; and the gentleman would agree, would he not, with the requirement of that section in title I of the Bankhead-Jones Act which establishes standards?

Mr. MAHON. On that question I agree that somebody with a farm background should be given preference over somebody who does not have a farm background, but would there be any limitation as to his financial resources?

Mr. HAYS. No; he does not have to be without funds or farm implements, nor does he necessarily have to make a down payment if the county committee approves him.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I had intended to offer an amendment to this measure providing for the sale of land embraced in land-utilization projects and so notified the chairman of the Committee on Agriculture. I have, however, been persuaded by the chairman of the committee and the ranking Republican member to handle the matter through a separate bill rather than as an amendment to this bill. So I will introduce a separate measure and hope it will receive the early consideration of the committee. I do wish to discuss my proposal briefly in connection with this legislation.

My bill will authorize the Secretary of Agriculture to sell the land which is now included in what are known as land-utilization projects in this country. The purchase of this land was authorized and made under title III of the Bankhead-Jones Farm Tenant Act of 1937 wherein the Secretary was "authorized and directed to develop a program of land conservation and utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation."

Mr. Chairman, I do not know what the situation is in other States so far as these projects are concerned, but I have two of these projects in my district in Colorado. The lands to which I refer are not all submarginal, and as proof of that I wish to quote from the testimony of Mr. Dykes, Assistant Chief of the Soil Conservation Service, under whose supervision these projects are administered, before the Subcommittee on Appropriations, as found on page 1035 of the hearings, in which he included a statement of the income from the operation of these lands in 32 States last year. The total receipts were \$548,265.78. In other words, the Government collected this amount of money from the leasing of a portion of these lands. Under the law 25 percent of these receipts is returned to the counties in which the lands were located in lieu of taxes, and this amounted to \$137,066.54.

Mr. Chairman, I submit that this land is not submarginal when this amount of money is realized annually through leases. I do not know how many of the 7,250,000 acres of land contained in these projects were leased, but in any event it is obvious that much of the land is suitable for grazing and farming. I contend that the Government ought to get out of the farming business, and give our returning veterans and others the opportunity to use this land.

Mr. Chairman, when we are talking today about liquidating these Government land projects, we are overlooking one of the largest now in operation. These land-utilization projects are not covered by this bill before us this afternoon, but, as I stated, I intend to introduce a bill which will authorize and direct the Secretary of Agriculture to sell the seven and a quarter million acres of land, or so much of the same as may be suitable for grazing, farming or other agricultural purposes. I am not referring to land that is submarginal and which may be worthless for any purpose.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Do I understand the purpose of the gentleman's bill and the purpose of the amendment he wanted to offer is to include all of these lands, whether they are classified as submarginal or not, and open them up for resettlement?

Mr. CHENOWETH. Not for resettlement, but for sale to those who are now using the same, or to others who may be interested. I may say that the Government is now, through the Soil Conservation Service, leasing these lands every year to stockmen and to those engaged in farming, and is collecting, as I stated a moment ago, over half a million dollars annually from the leasing of these lands. I also call attention to the fact it will cost the Government about \$1,453,000 this year to administer the program, according to the Budget estimate. So we are in the red to the extent of almost a million dollars in the operation of these projects.

Mr. RIZLEY. I would have no objection to some sort of a utilization program or for the sale of this land for grazing, if the gentleman would be willing to write into the bill some sort of provision that would preclude the people who buy this land from going out and plowing up hundreds of thousands of acres of it again like they did in those years, starting the dust bowls all over again. A lot of this submarginal land should not have been in cultivation to begin with.

Mr. CHENOWETH. Some of this land was not submarginal when it was purchased. I am familiar with the situation to which the gentleman refers, and I think he will agree with me that much of this land was good grazing land.

Mr. RIZLEY. If you open this thing up, starting down in the gentleman's country, and I know something about it, and the western section of my State, as well as down in Texas and New Mexico, and include all of this land that was taken out, sandy, bunch-grass land, and plow it up for the purpose of growing a wheat crop, like they did when wheat was worth two or three dollars a bushel, as I stated, if you get that back into cultivation you will have a repetition of the same thing all over again.

Mr. CHENOWETH. Much of this land is in cultivation now under Government supervision so there would be no change in its present use. I want to see it returned to private ownership.

Mr. RIZLEY. I do not believe much of it is, if the gentleman will look into the matter.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CHENOWETH. Mr. Chairman, pursuing the inquiry made by the gentleman from Oklahoma, may I state that from the testimony of Mr. Dykes, who is in charge of the soil-conservation program, it is obvious much of this land is being leased to private individuals who are paying to use the same. I do not know how much is being used for farming and how much for grazing purposes. The Government realizes more than a half



million dollars a year through leasing this land. Some of this land contained in the projects is undoubtedly submarginal land, which will never be suitable for farming or grazing purposes, and I am not asking that the Secretary be directed to sell that kind of land. I am insisting that the land which has been proven to be suitable for farming, grazing, or for other agricultural purposes, be now sold. I see no reason to continue projects where the land is now being used.

Mr. RIZLEY. I am in full accord with the gentleman's idea to get the Government out of the land business. I would have no objection whatsoever to selling all of this land. However, there is a lot of this land as to which there should be some prohibition in the conveyance precluding it from being plowed up and being used for strictly agricultural purposes again. It might be fine for grazing. If the gentleman is going to introduce a bill along that line, there should be a careful study and analysis made of the agricultural land, if there is such, and the grazing land. Certainly the gentleman's bill ought to have a provision in it that would preclude the plowing of thousands and thousands of acres of this land again, land that should never have been plowed up in the first place.

Mr. CHENOWETH. I say, in answer to the gentleman from Oklahoma, that I would anticipate no great change in the use of the land after it is sold. That which is now being farmed will continue to be farmed, and the same will be true of the grazing land.

Mr. FOAGE. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Texas.

Mr. FOAGE. If the gentleman was to sell this land, might it not be advisable to put in the deed some covenant running with the land to provide that the purchaser should never break the land or put it in cultivation? In other words, I recognize the desirability of putting all this land in private ownership and putting it back on the tax rolls, because a man is a better citizen when he owns the land than when he is leasing it. But would it not be better to make the man who is now renting that land enter into an agreement when he purchases it, in his deed, so that his purchase would be void if he ever broke that land? Could we not protect the public in that way if we put those provisions in the transfer?

Mr. CHENOWETH. I would reply by stating that I think experience has proven the folly of trying to convert some of this land into farm land, and I do not believe the same mistake will be made again. I would hate to see too many restrictions placed on the transfer of this land.

Mr. FOAGE. Right now we get \$1.60 a bushel for wheat. Is it not oftentimes profitable to buy that land at its full market value and pay for the land in one year, but in the next year it may be swept by the dust storms and it will blow off onto the next farm, and for hundreds of miles destroy everybody for long periods to come?

Mr. CHENOWETH. I will say to the gentleman from Texas that I am in per-

fect sympathy with his objectives, and I think we should take every step necessary to prevent the situation he has described. I do not share his apprehensions, however, and I feel confident the details can be worked out satisfactorily. There has been some confusion concerning whether or not this is to be a permanent program. In reading the Bankhead-Jones Act, I do not find any provision here that would give this land-utilization program a permanent status. However, I know that that is the opinion of some of those in the Soil Conservation Service who are administering these different projects.

The returning veterans are inquiring about this land. They would like to have the opportunity to purchase it. The Government is now leasing part of the land for over a half million dollars per year. The cost of the administration is more than double the receipts, so it is a rather unprofitable venture. I think the time is here to liquidate.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman just made a remark about whether or not this legislation would become permanent. I note that the committee proposes to offer an amendment which reads, as follows:

Not to exceed 3 years from the date of termination of the present war.

If that committee amendment is incorporated in the bill, it would seem to call for the establishment of preference for 3 years, and the liquidation of these lands within 3 years.

Mr. CHENOWETH. As I stated at the beginning of my remarks, I am not going to offer an amendment to this bill. I will introduce a separate bill, so that my proposal will not be affected by any action taken on the measure before us today.

Mr. Chairman, I hope that the Committee on Agriculture will give early consideration to the matter of disposing of this land belonging to the land-utilization projects so that the same may be made available to returning veterans and others who may be interested.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I am very much interested in this legislation, for the reason that perhaps the largest project involved is within my own congressional district. It is a project known as the Lehman farms project in Cochran County, Tex. The land is not developed, it has not gone under the plow, it has not been subdivided, but the Farm Security Administration has made a very detailed study of the land and is now in course of deciding the sizes of the various units. The proposed units will vary somewhat with the nature of the land. It will be an out-and-out farming or stock-farming operation.

It seems to me most desirable that this land, which the Government has bought and upon which it has probably made a 50-percent profit already, should go to veterans.

Of course, only a few people can be accommodated on these projects. Even on this project, as big as it is, perhaps only some 100 veterans could be accommodated, but certainly the land should go to veterans for homes rather than to other interested persons.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from North Carolina.

Mr. COOLEY. How has the Government made a profit on the land?

Mr. MAHON. The Government has leased the land for oil, for one thing, and it has leased the land for grazing and for other purposes. The land has increased in value perhaps about 50 percent. That is what I had in mind.

Mr. COOLEY. I understood the gentleman to say that the Government had made a profit, but the gentleman means the land has actually enhanced in value to the extent of 50 percent.

Mr. MAHON. It has enhanced in value by probably 50 percent, and the Government has certainly made a profit. I believe the grazing lease last year was about \$12,000, and the oil lease and bonus has been considerable.

Mr. COOLEY. Is it oil land?

Mr. MAHON. There is oil in that locality; in fact, there is oil all over many sections of my State of Texas.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. GOSSETT. All land in the Southwest has potential oil possibilities. Any time there is a sale of land that is a material consideration, whether there has ever been any drilling of wells or not.

Mr. COOLEY. I wonder if any oil has been discovered on this land.

Mr. MAHON. No oil has been discovered on this particular land, but it may be that oil will be discovered on this 37,000-acre tract.

Mr. COOLEY. Could it not be very profitably disposed of at the present time on the present market?

Mr. MAHON. It could be very profitably disposed of. At present there are a number of people who would be very glad to buy this 37,000 acres. The transaction would run, of course, into several hundred thousand dollars. There is little likelihood that any veteran would have the opportunity to purchase the land on that basis. Since the Government is going to make a nice profit on this big project, it would seem most unfortunate if it should not be divided up into family-size farms and sold to veterans who are able and willing to pay for them on some kind of fair basis.

I would not insist, certainly, without more information, that the land be improved, because I think in many instances the veteran himself, if we can delay the sale until the time when materials become available, may be able to improve the land. I may be in error in this conclusion as I am not fully familiar with all the facts and possibilities.

I do not believe in these community projects. I have never believed in them. They should never have been started. But here we have this land, and I think

it is most essential that we utilize it in the manner suggested by the committee.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Is the land now occupied?

Mr. MAHON. The land is not now occupied. It is used for grazing purposes.

Mr. ALLEN of Louisiana. It is occupied if it is used for grazing purposes. Would not the gentleman admit it is occupied? I take it for granted that the Government has leased it to somebody to graze cattle, and those people go on the land and actually occupy it.

Mr. MAHON. There are a few people on the land, but a very few people. It is a large ranch in western Texas.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. What method is being employed or has been employed to determine what is a family-size farm? Who is to make that determination? That is one thing about which I have not been clear.

Mr. MAHON. The Farm Security Administration itself has made a study, in fact, is in the process now of making a study, of a suitable division plan for the disposition of the land. There is some possibility that the land can be sold to a somewhat greater financial advantage to the Government by selling it all in one tract. But local citizens want the land sold in family-size tracts to veterans. That is the proper thing to do. There is no doubt but that the Government will make a profit on the sale regardless of the way in which the land is sold. This bill will make sure that it may be sold in family-size farms to veterans of this war.

Mr. RIZLEY. What I do not understand is what the procedure is. I could not put my finger on it in the present FSA law. What is it that authorizes anybody to say now what is or what is not a family-size farm?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to ask the gentleman from Kansas if he feels the veterans will really be given a priority in this, further than just a preference. I have come to the conclusion that a preference means very little or nothing when written into a law and often a priority means little or nothing. I want to be sure the veterans do have this opportunity to secure the farms and farm lands. Thus far, they have been merely given a lip-service priority and have not been able to get farms or surplus property of any kind.

Mr. HOPE. This bill specifically provides that the land is to be sold to veterans. The only opportunity for anyone else to purchase the land is with reference to those who are now occupying the land. Some of the land is occupied by people who have been given a reason for at least thinking that they would be able to purchase it. So some of these tracts will no doubt be purchased by those now

occupying them. But I understand most of the land is not occupied. It is not improved. The only person under this bill who will be eligible to purchase it will be a veteran, so it is not a case of veterans' priority—it is a case of a veteran's right in the first instance.

Mrs. ROGERS of Massachusetts. I think the veteran should be given the right to purchase every house unless a present owner who is a nonveteran actually has already a contract. Will the gentleman tell me what the price will be? Will they be sold to the highest bidder?

Mr. HOPE. The price will be based on the earning capacity of the land which is something that is reasonably capable of being determined. It will be determined by the economic value of the land, which in turn will be based, of course, upon the decision of the Administrator of the Farm Security Administration.

Mrs. ROGERS of Massachusetts. The price will not be too high for the veteran to pay? You understand that veterans have been abroad and have not been able to make any money.

Mr. HOPE. This language was put in expressly for the purpose of protecting the veteran and not loading him up with some land which is too expensive for him to operate and make a living. The price will be on the basis of normal prices, I might say.

Mrs. ROGERS of Massachusetts. They will not be based on inflation values?

Mr. HOPE. Absolutely not.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I will be very glad to yield, as I would like to get this information with reference to the provisions of the bill.

Mr. POAGE. This is the first bill that has ever been brought to the floor of the House which protects the veteran against inflated prices.

Mrs. ROGERS of Massachusetts. I am delighted to hear that.

I think the gentleman from Texas [Mr. POAGE] has section 2 in mind. Section 2 reads as follows:

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Cong.), and to present occupants of such lands who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000-1006), as amended.

The gentleman perhaps knows that I have introduced a bill that would give veterans the priority in the purchase of Government-owned houses, and already the gentleman from Alabama [Mr. MANASCO] and his committee have graciously heard me and heard veterans' organizations on the subject. I hope that the gentleman will assist in securing the passage of that measure. It provides that the houses shall be sold to the veterans at reasonable prices. I congratulate the Committee on Agriculture on bringing this to the floor for action.

Mr. FLANNAGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I am in favor of the general objectives of this bill, but there seems to be some confusion with reference to the preference or privileges of those who may be presently occupying the land. A moment ago I asked the gentleman from Arkansas, the author of this measure, to yield to me on that question and I would like to pursue it just a little further in order that there may be no misunderstanding. Assuming that there is a tract of land in which a veteran and an occupant might be commonly interested in purchasing, and the occupant at this time or at the time of his expressed desire to purchase has no option nor a tangible or visible equity therein, is it the opinion of the gentleman, the author of the bill, that the veteran would have the preference or that the occupant would have preference in purchasing?

Mr. HAYS. I think I now understand a little more clearly the question the gentleman has in mind. May I say first that the term "present occupant" means occupant of a specific tract and this does not give such a person, a nonveteran priority over the land other than that which he occupies, and in such a case only where he has an equity. I am using the word in its nonlegal sense, because I can conceive of certain situations in which occupants might have a valid claim from an equitable and moral standpoint, but not a legal claim, because of the postponement of the execution of certain papers.

Mr. ABERNETHY. It is my interpretation of the bill, then, since it is a veterans' preference bill, that if a veteran and a nonveteran, who is the occupant of the land, and who has no contract to purchase, no agreement to purchase, no equitable interest in it, should go into the office of the party in charge of selling the land, and both express a desire to purchase, then the veteran would have preference over that individual. Is that right or not? If it is not, then I am opposed to this language in the bill in behalf of the occupants, because this bill was intended to give the veterans priority.

Mr. HAYS. The gentleman is correct.

Mr. ABERNETHY. I thank the gentleman.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. ALLEN of Louisiana. But after all, the bill does not say that. I appreciate what the gentleman from Arkansas [Mr. HAYS] says, but that is not what the bill says.

Mr. ABERNETHY. I agree with the gentleman. I think that it should be clarified to that extent.

Mr. HAYS. I am agreeable to clarification.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].



Mr. EDWIN ARTHUR HALL. Mr. Chairman, in relation to the subject just mentioned, I think it is a safe statement to say that where agencies of Government have taken over land for war purposes, the former occupant of the property is given priority to repurchase the land.

I am heartily in accord with the Hays bill. I think it should have been passed about a year ago, or at least as soon as it was introduced. There is no question but that the veteran—if I may be permitted to say a word in his behalf; I was challenged on the floor the other day when I submitted an amendment in the interest of the veterans—should be given the opportunity to obtain as much land as he possibly can, in order to become a farmer. The need for cultivation of all the excess land in the country, that we can possibly put under the furrow, is paramount. If we are going to feed starving Europe, if we are going to take care of all those undernourished peoples throughout the world, then the veteran must be called upon to do the job. Upon his return from the Army or the Navy, he should have a chance to obtain that excess land which has, prior to this time, been used by agencies of Government.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. SPRINGER. This bill contains a provision that preference is given to veterans of the present war and present project owners. As I understand, there was some assurance given the present occupants that they would have the first right to purchase. Is that correct or not?

Mr. EDWIN ARTHUR HALL. I cannot answer the question as it relates to the Farm Security Administration, but I do know that agencies of Government that have used lands for war purposes have given the person who owned the land formerly the first opportunity to purchase the land.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. POAGE. The committee put that amendment in there and not the author of the bill. I think it is the plain intention there to make it possible to make good where there had been commitments made to occupants of the property.

These people, first of all, must be approved by the local Jones-Bankhead committee of each county and no local committee is going to approve the present occupant of a piece of land in preference to a veteran unless he has some very strong claims.

Mr. EDWIN ARTHUR HALL. That may be true, but according to a statement just made by the chairman of the committee, I conclude that the veteran will have priority of purchase.

Mr. POAGE. Sure he will.

Mr. SPRINGER. But if it is true that this assurance has been given to the present occupant that he would be given the first opportunity to purchase, then he would have a priority over the veteran.

Mr. EDWIN ARTHUR HALL. I can cite several examples that have been carried out by various Government agen-

cies. But I want to come to another point. The remark was made a little earlier in the debate that there was no weight behind the statement or the position of the legislative chairman of the American Legion. I do not pretend to speak for Mr. Taylor because he is perfectly able to speak for himself, but I would conclude from his very position as chairman of the legislative committee of the American Legion that he must represent the considered opinion of the majority of the members of the American Legion of the country, and I think it is a safe statement to say that the American Legion as well as the other veterans' organizations of the country are definitely behind the Hays bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I feel justified in the position I took last Christmas time. It was suggested that this bill be brought up at that time, and I assured the author of the bill that I knew the position that the gentleman from Georgia [Mr. TAVER] would take, and the work that he had put in trying to straighten out and get this Farm Security business settled all over the United States. I think the debate here today surely justifies the position I took then.

I would not have objected to the bill. I offered no objection to its being passed. However, the Agricultural Subcommittee of the Appropriation Committee deserved some consideration under the circumstances.

Now, let us get this picture straight. In the first place, here is what we are served up with any time we start running the country by men instead of by laws. In the first place, Farm Security did not have any business buying this land, they had no authority to buy it. In the second place, if the agency had followed the mandate of the Appropriations Committee of this House it would not have even had the land now because they would have had it sold long ago. This has dragged along until at the present time we have supposedly some hundred thousand acres of land that is suitable for agricultural purposes out of the 600,000 acres remaining. Some of the land is supposed to be down in Texas.

Let me call your attention to the fact that at Christmas time the Congress gave away 800 acres of land to the State of Texas or some institution down there for which Farm Security had paid \$75 an acre but which they said at Christmas time was not worth anything at all. It did not take them very long to buy this land, but it has taken them a very long time to sell it. This should be worked out and I think it should be patched up some way here between the distinguished gentleman from Georgia [Mr. TAVER] and the chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN]. If you analyze the figure here you will find there will be only about 15 veterans per State who will ever have an opportunity to obtain a farm. We should get busy and pass the Cooley bill. This bill has merit and

applies to all the United States and every one. The Cooley bill is for all the United States not for only one section of the country. We should provide some legislation that will help produce some food, and then we will be rendering a real service. Some of these days somebody is going to think it is not a bad idea to have a little bit more food than we see in the food picture at the present time in the United States.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, this measure, as I understand it, is intended to dispose of a part of the land left in the hands of the Government, land that was acquired by various agencies some years ago. The principal reason for this legislation is that it is for the purpose of helping veterans. We are going to have a lot of legislation come to the floor of the House which include veterans, and we ought to help them every way we can.

Mr. Chairman, I am going to submit an amendment unless some other Member submits a similar one, to determine if the committee means what it says. My amendment will see that veterans do have preference for purchase of this land. According to the statements made on the floor here, today, there are only about 850 units left unsold. The proponents tell us the present occupants of the land will have the first right to that land. So there are not going to be so many units left under this bill for the veterans after all when we get through with it.

Mr. Chairman, I propose that we amend the present bill, and I am going to submit an amendment, using part of the language in the bill and make it provide that notwithstanding any other provision of law—the Secretary of Agriculture, in order to insure the maximum preferential disposition to veterans of the present war, subject only to contractual rights of present occupants, is hereby authorized and directed to sell such land, improved and unimproved—then continue the remainder of that section. I also include section 2 down to line 21, and strike the remainder of the bill.

Mr. Chairman, this amendment will mean in substance that those agencies in charge will have the right, and will be directed, to sell this land to veterans, only subject to whatever contractual rights there may be in those who occupy the land at present.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. DIRKSEN. That is a very forthright and simple approach to the problem, and will solve the whole thing. The Secretary is directed to sell the land to the veterans. If that is what we are interested in, then the proposal that the gentleman from Kansas intends to offer ought to be adopted by the Committee of the Whole.

Mr. REES of Kansas. That is all there is to it. They will have the right to sell this land to the veterans, and that is the

end of it. I thank the gentleman for his contribution.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I shall be glad to yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman from Illinois [Mr. DIRKSEN] expresses my sentiments exactly. I think this bill ought to be amended accordingly.

Mr. REES of Kansas. I appreciate the gentleman's statement in support of my amendment that will be submitted at the proper time. Unless, of course, similar amendments shall have already been submitted and approved.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, one of the principal pieces of land involved in this measure is located in the State of Arizona and consists of about 5,000 acres, but these are improved acres. This development happens to be one of the early resettlement projects which the Congress has recently tried to have liquidated. It was not "my baby," as it was started before I came to Congress. However, I have always thought this development, the Casa Grande Farms, Inc., near Coolidge, Ariz., served a worthy purpose during the days of the great depression. True, it was rather expensive. I do not think well of the type of its organization, as I prefer farmers to acquire title in private ownership. The best that can be said of it is that it helped down-and-outers, who had previously been good farmers, back on their feet and it helped to salvage some human values during the depth of the depression.

Now, I happen to know that there are big farmers, corporation farmers, who would give their eye teeth to get possession of that fine piece of land. This is especially true if they can get it at forced sale. I am quite anxious that the ideas incorporated by several speakers here today, that we make sure that this law provides that this land shall be disposed of to veterans, are cinched and made sure in this enactment. Let us prevent speculation and save this land for veterans.

During the course of debate, it has been pointed out that there are only about 850 units available altogether. Last year I found that a census taken among men in uniform showed that 850,000 men in service expressed a desire after the war to own a piece of land. Now we come along in this bill with 850 units. As I get it, that is about enough for 1 out of 1,000. Well, that is not much. However, I favor it just the same, and as I complimented the gentleman from Arkansas a little while ago, I am glad he brought in this measure, even though it is a small part of a real need. Surely the Agriculture Department can and will do more for the veterans.

I am planning to do this same thing and give preference to veterans on land that is irrigated, good land, land on which they can make a living. My bill, H. R. 520, passed in the House last September, aims to help veterans get homes

on the land, but should help 40 times as many veterans. The author of this bill helped us greatly with H. R. 520. The gentleman from Colorado broached a matter here a few minutes ago of furnishing veterans range land in the West and although it is not germane to this bill, it is a good idea, and I hope the gentleman from Colorado will pursue it further. I have a more extended idea fitting in with it.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from New York?

Mr. EDWIN ARTHUR HALL. I agree with the gentleman that there should be some limit on the number of acres or the size of the farm, and I would like to ask him what he figures a family-sized farm to be.

Mr. MURDOCK. That will vary greatly, because this land is located in various and diverse sections of this big country. A 40-acre piece of land in some irrigated projects—and that is the kind of land I am talking about in Arizona—would be a family-sized unit, and from there on up to 160 acres. In some places, it must be more than 160 acres. In the far West outside of irrigation projects a homestead must be as much as a section of land.

May I say to the Members that the veterans coming back from this war are land hungry. What have we done? Congress has done little and that very belatedly. We have done little enough, even after we pass my measure, H. R. 520, in giving these veterans preference on irrigated land if and when it is enacted. Even after we have passed this bill, offered by the gentleman from Arkansas, we have done too little to begin to fulfill our obligations and our promises. There is land which could be obtained in private ownership and made productive. There are hundreds of thousands of veterans who would like to be farm owners. What do we really want for our veterans—that they shall return to be rural laborers and cow hands working for someone else or as farm owners with their feet on the soil? We are answering that question by our action on such bills as the one before us.

Mr. FLANNAGAN. Mr. Chairman, I do not have any further requests for time.

Mr. HOPE. I have no further requests, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That, notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition to veterans of the present war is hereby authorized and directed to maintain, administer, and utilize, for such period as he may deem necessary until disposal thereof as hereinafter provided, such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained

herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this act.

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Cong.), who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000-1006), as amended.

SEC. 3. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including, without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to accomplish the purposes for which such properties were acquired.

SEC. 4. Until such time as the Congress by concurrent resolution, or the President, terminates the functions, powers, and duties of the War Food Administrator or the War Food Administration, the authority vested in the Secretary of Agriculture by this act shall be exercised by the War Food Administrator.

Mr. FLANNAGAN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that it be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 5, after the word "war" insert "and present project occupants."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 9, after the comma, insert "not to exceed 3 years from the date of termination of the present war."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 20, strike out the bracket.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 21, strike out the bracket, and after the comma insert "and to present occupants of such lands."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 7, strike out all of section 4.

The committee amendment was agreed to.



Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 1, line 7, strike out lines 7, 8, and 9 through the word "provided" and insert in lieu thereof "dispose of lands hereinafter described as expeditiously as possible."

Mr. TARVER. Mr. Chairman, I should like to query the chairman of the committee first. I understand this amendment is acceptable to the committee.

Mr. FLANNAGAN. The amendment has been gone over, and we accept the amendment.

Mr. TARVER. That is satisfactory to the ranking minority member also, the gentleman from Kansas [Mr. HOPE]?

Mr. HOPE. Yes, I have gone over the amendment and I have no objection to it.

Mr. TARVER. I think then, Mr. Chairman, it is unnecessary to discuss the meaning of the amendment further than to say that the proposal to sell these lands to veterans, and to sell them as expeditiously as possible, has never been opposed by the subcommittee on Agricultural Appropriations. The thing we have been opposing is the maintenance of these cooperative land projects under the guise of benefiting the veterans but without its being of any benefit to them, in our judgment.

Mr. FLANNAGAN. I do not believe there has been really any disagreement between the gentleman from Georgia and the gentleman from Illinois and the members of the Committee on Agriculture. We had the same objective in mind. I think we are all together on the main object of the bill, that is, to give the veterans the benefit of acquiring this land that is susceptible of partition.

Mr. TARVER. Of course, the gentleman agrees with me that the insertion of the committee amendment, "not to exceed 3 years from the date of termination of the present war" does not mean that we expect the Farm Security Administration to keep the lands for 3 years after the termination of the present war but, on the contrary, we expect them to sell these lands just as rapidly as that can be done.

Mr. FLANNAGAN. I think it is the intention of every member of the committee that these lands shall be disposed of at the earliest possible moment, but that the veterans certainly shall have an opportunity of acquiring this land.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the author of the bill, the gentleman from Arkansas.

Mr. HAYS. I am sure the gentleman from Georgia does not oppose the sale of this land in family-size units where that is the feasible way in which to accomplish the basic purpose of this legislation. In other words, under present practice, under the interpretation given the Tarver amendment by the Farm Security Administration, sales of land have been in large blocks, and in many instances veterans were not able to present bids that were the high bids and have not been able to acquire land for farming purposes. The gentleman does not object, then, by his amendment and

does not intend by his amendment to interfere with this other policy of selling the land in family-size units so that veterans may obtain it, and a larger number of them may share in it as potential farm owners?

Mr. TARVER. I have urged the Farm Security Administrator not to sell these tracts of land in huge acreages even where he might secure larger sums of money for the Government by reason of following that procedure, but to subdivide the land into family-size tracts for sale to veterans or to present occupants of the land. He has assured me that that is his intention. You know, we have a new Administrator, who has been adjusting himself to the duties of his position, and I think the gentleman may be assured that in connection with his further actions in the disposition of these lands the Administrator intends to follow that policy. So far as I am concerned, I would be willing to go further than the gentleman's bill goes and assure veterans preference even over project occupants, especially project occupants who have had no contract for the purchase of the lands occupied by them, in securing these lands. In other words, I want to see every veteran who returns and who wants to buy these lands given preference and an opportunity to do so.

I do not want to see him forced into any cooperative communal land project to be operated as some of these projects have been operated heretofore. I do not want to see the Congress, if possible to avoid it, authorize the continuance of that type of project with the idea that they are doing something for the veteran because I do not think the veteran wants that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN, of Virginia: On page 3, line 2, after the word "including", strike out the balance of the line and all of line 3 down to the word "and" which appears in said line immediately before the word "making."

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN, of Virginia: On page 3, line 5, after the word "purposes", strike out the balance of line 5 and all of line 6 and insert "of this act. Provided that no expenditure shall be made for improvement on any farming unit in excess of one-third of the earning capacity value."

Mr. TARVER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am supporting the amendment because I think it improves the language of section 3. As far as I am individually concerned, I do not believe there ought to be an authorization in this bill if it is enacted into law for the making of betterments and improvements on these lands even to the extent of one-third of the appraised value upon

the basis of earnings. I recall in the hearings had during many years of consideration by our subcommittee on agricultural appropriations evidence as to the abuses which grew up during the days when they were building \$9,000 and \$10,000 houses on these tracts of land. Of course, there are some limitations in the language as offered by the gentleman from Virginia, but there still might be very extensive improvements and building on those lands under the language as it would remain after the amendment he has offered is adopted. But the language of the section as it would then read contemplates that there shall be submitted to the Committee on Appropriations an estimate of whatever money is necessary for making improvements to carry out the purposes of this act, and that the committee first and the Congress afterward will have the opportunity to scan those requests and determine what if any funds should be expended for that purpose in order to carry out the objectives of the act. And with the understanding, and of course it is an understanding because as a matter of law it is correct, that the mere enactment of the authorization does not carry with it any money which can be utilized by the Farm Security Administration for the purpose of making these improvements, I should not, as far as I am individually concerned, oppose the passage of the bill if the section is amended in accordance with the amendment which has been offered by the gentleman from Virginia.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Has not the Farm Security Administration taken the position in the recent past that they had no right to place the improvements upon this property for the purpose of making sales to individuals of family sized farms?

Mr. TARVER. That is correct.

Mr. COOLEY. That has resulted in the sale of large acreages rather than farming units.

Mr. TARVER. No; I think the sale of large acreages in some instances has been brought about by reason of the fact that the people who offered to purchase large acreages were able to offer more money than the people who are interested in family sized tracts. But that policy has been changed as I sought to explain a while ago.

Mr. COOLEY. That was a definite mandate that the Congress and the gentleman's committee gave to the FSA to liquidate the projects as expeditiously as possible?

Mr. TARVER. That is true.

Mr. COOLEY. But as the gentleman says, whatever money is spent for improvements will first be scrutinized by the gentleman's committee?

Mr. TARVER. They must come before the committee and justify every dollar that is expended. Those dollars, if expended, must be for the purposes of this act, which purposes are the wise and early disposition of the lands which are here involved.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. HAYS. Then, the gentleman would not object to that necessary delay to determine in what instance such investment would be justified? I mean not any undue delay, but that delay that is inherent in the proposition.

Mr. TARVER. I think the language of the amendment which has been adopted, "as expeditiously as possible," carries with it the feeling that Congress is relying on the discretion of the Farm Security Administrator. I think the present Farm Security Administrator has discretion and has common sense, and that he will conduct these sales as rapidly as it can be done. I hope he will sell all the lands to veterans, if they want it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield further?

Mr. TARVER. I yield.

Mr. COOLEY. In view of fears expressed by some members of the committee with reference to a continuation of these communal properties, it is a fact that the gentleman's committee would have to provide the money for a continuation of those projects or they could not possibly be continued?

Mr. TARVER. The language of the first section, until it was amended, might have been susceptible of another conclusion, but I think under the bill as now amended that undoubtedly would be true.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana:

On page 1, line 6, after the word "occupants" insert "who have existing contracts to purchase."

On page 2, line 21, after the word "lands" insert the words "who have existing contracts to purchase and."

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. FLANNAGAN. We have gone over the amendment, and it is acceptable.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. COOLEY. Why is the amendment important, in view of the fact that the Farm Security Administration could not possibly take land that was under contract to some other person and sell it to a veteran or to any other person?

Mr. FLANNAGAN. This is true, but the amendment will not hurt any. It may clarify it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. ALLEN].

The amendment was agreed to.

Mr. ALLEN of Louisiana. Mr. Chairman, the amendment which I offer is intended to spell out what the author of the bill says he means and what the members of the committee reporting the bill say they mean. As the bill is now

drawn, it gives preference in the sale of this land to veterans "and present occupants." If the bill is permitted to stand in that way, it simply does not give to the veterans the preference which I think every Member of this House wants the veterans to have. The author and also members of the committee reporting the bill have repeatedly told us that the only reason they wrote this language in the bill with reference to occupants was to protect those who already have contracts to purchase said lands. In other words, they have said frankly that their object is to protect the contracts which the Government may have already made. If that is true, then it should be spelled out exactly so that there will be no doubt about it. The amendment which I have offered will make it clear just what the committee means in the wording of the bill.

So far as I am concerned, and I think this is the attitude of every Member of the House, I want the veterans to purchase this land. I want them to have a priority to purchase the land. This can be done by adopting the amendment which I have offered. My amendment makes it clear that veterans do have the priority. I think this amendment is necessary to clear this matter up. Of course, if the Government has entered into a binding contract with persons to purchase any portion of this land, the committee has indicated clearly that it wants to respect that contract. But it takes the amendment which I have offered to make it clear that only "existing contracts to purchase" will be considered by the Government with reference to occupants. I therefore urge the adoption of this amendment so that we may make it clear that we do mean and that we do intend for veterans to have a priority to purchase this land.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 2, line 16, after the comma insert "units not to exceed 500 acres in any one sale."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, there has been a lot of talk this afternoon about keeping these large concerns from grabbing up these lands that are intended for family-size units. There has been no attempt to define a ceiling on what a family-size unit should be, but I think some limit should be set here.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. CASE of South Dakota. Would the gentleman have any objection to making that 640 acres? It occurs to me that in the western area, where there is dry farming, that would be necessary.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I ask unanimous consent to modify my amendment by making the amount 640 acres.

Mr. TARVER. Mr. Chairman, reserving the right to object, does the gentleman mean not to exceed 640 acres, or does he mean definitely 640 acres?

Mr. EDWIN ARTHUR HALL. That no one purchase may exceed 640 acres.

Mr. TARVER. It is an over-all limitation, not a definite designation.

Mr. EDWIN ARTHUR HALL. That is right. I will be frank to say to my friend from Georgia that I believe there should be some ceiling on this acreage.

Mr. FLANNAGAN. The amendment being a limitation, so far as I am concerned, I will accept it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York that he may modify his amendment?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: Page 2, line 16, after the comma insert "units not to exceed 640 acres in any one sale."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 3, after line 6, add a new section as follows:

"Any conveyance by the Government of title to land under this act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights."

Mr. FLANNAGAN. We have gone over the amendment and it is acceptable to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I submitted this amendment to the chairman of the committee and also to the ranking minority member and am pleased that both of them agree to its equity and soundness. When the Congress passed Public Law 401 in the Seventy-eighth Congress, it intended that mineral rights and all other rights under these small farms and plots being sold by the Farm Security Administration, the Federal Housing Administration, and other agencies of Government should be sold to the purchaser. So far these agencies have refused to comply with this obvious intent of Congress. This amendment makes clear the congressional intent in these matters. For the Government to reserve minerals under these small farms is unfair to the purchasers and unfair to the communities in which they live. It destroys a part of the value of the land and complicates its resale. It further disrupts the normal and usual business practices in most States in which these properties are situated. I trust we shall have no further administrative difficulties in trying to convince the administrative agencies of the Government that the phrase "all right, title, and interest of the United States in and to such real estate" also includes mineral rights.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 2, line 14, after the word "act", strike out the period and insert a semicolon.



and the following: "Provided, however, That lands within the State of New Mexico heretofore originally acquired by grants from the Government of Mexico or the King of Spain and confirmed by authority of the Congress, which are now held by the Secretary of Agriculture for administration, and which the Secretary of Agriculture determines are not suitable for ultimate disposition in economic farm units under this act, may be, notwithstanding any other provisions of law, administered and utilized by the Secretary of Agriculture for a period of not to exceed 3 years from the present war."

Mr. FERNANDEZ. Mr. Chairman, I am heartily in favor of this bill. My amendment simply seeks to broaden the bill a little to take care of a very special and peculiar situation which we have in our State. The wording of the amendment may sound strange to you, but when I have given you some of the background, I am sure you will understand the reason and the purpose of the amendment.

Back when we first settled New Mexico, Spain and Mexico followed a system of giving to a certain number of families grants of land in which to settle a village. The system was that the villagers would settle in the river valley and would have their little patches of ground where they grew their gardens, and the Government granted them the land around the village for grazing purposes for their stock.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. FLANNAGAN. Does the gentleman's amendment attempt to continue any of these projects?

Mr. FERNANDEZ. No. My amendment is limited to 3 years. If the gentleman will let me proceed for just a minute, I am sure he will understand the purpose of the amendment. When our Government came along, there had grown up in the State several villages of that nature which had lands in the country around the village or on one side or the other of the village, depending on the terrain, which then became a part of the land of this country subject to taxation. It will be understood that under the Spanish and Mexican Governments no taxes were paid on the land. Taxes were collected otherwise.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. That would be a continuation of one of these projects heretofore set up by Farm Security?

Mr. FERNANDEZ. Let me finish my statement, then I will be glad to yield for questions.

As time rolled on, the people did not understand that this land was to be taxed. Many eminent lawyers believed that it was not subject to tax because the land was given to the community. It is only in the last 10 or 20 years that the courts have decided they are taxable. The taxes accumulated and the people lost those common lands during the depression. They could not pay the accumulated taxes when the courts decided they had to be paid.

Mr. AUGUST H. ANDRESEN. Who got title to the land when the taxes were not paid?

Mr. FERNANDEZ. When the lands were sold for taxes, the speculators got title to the lands. That is, they claimed title to the land. Of course, throughout the years these villagers claimed title to the land also. The Government bought them for their benefit and these people have been using them. There is one grant where they have already repaid the Government and have taken the land back.

Most of these grants cannot be divided into small farm units, as, for example, one grant I have in mind that lies on the side of a mountain. The people live on the river banks and use the hills for firewood, and for grazing for their cattle, sheep, and goats. I have no objection whatsoever—in fact we want it done—to the land which can be divided into family units being divided and sold that way, because we also have veterans in those communities. I have here a letter from El Rito, N. Mex., one of those grants, in which it is stated that at a special meeting held a few days ago, at which about 700 residents of El Rito were present, they took up the matter of trying to purchase this land under the provisions of the appropriation bill. Of course, there are about 500 families in that grant and it is a difficult situation for them to purchase it.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from North Carolina.

Mr. COOLEY. The chairman of the Committee on Agriculture asked the gentleman if this is one of these tremendous FSA projects. As I understand it, this is not such a project. It is not a communal project?

Mr. FERNANDEZ. No.

Mr. COOLEY. It consists of grazing lands adjacent to the village?

Mr. FERNANDEZ. That is right.

Mr. COOLEY. The title to the land is in such condition that you cannot clear it at the present time. There is no agency or municipality that is now in position to take over title to the land?

Mr. FERNANDEZ. That is right. I misunderstood the question. The village itself is owned by the people and they live in it. There is no question about that. But they have no way of making a living except on these lands on which they pasture their cattle.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Georgia.

Mr. TARVER. Who has title to the land? Does the Farm Security Administration have it?

Mr. FERNANDEZ. It is now held in the Government except where they have some contract with the people to purchase it.

Mr. TARVER. Is the gentleman trying to continue the operations of the

Farm Security Administration on these lands or is he trying to have them take over some lands they have not had heretofore?

Mr. FERNANDEZ. No. I may say to the gentleman that we are trying to get the lands away from the Farm Security Administration and put them in the hands of the people, every effort is being made to that end.

Mr. TARVER. Did the gentleman go before the Committee on Agriculture and present his facts with reference to this subject matter?

Mr. FERNANDEZ. The gentleman knows it is hard to keep up with these committees. I regret that I did not.

Mr. TARVER. The House a while ago, by agreement with the committee, has stricken out of the bill the language which would authorize administering, maintaining, and utilizing these projects. Now the gentleman proposes to reinsert that language for the projects in his particular State.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from North Carolina.

Mr. COOLEY. I made it clear a moment ago in my question to the gentleman that this is not what is generally known as an FSA project.

Mr. FERNANDEZ. I am not so clear about what is an FSA project. It is not a cooperative project, I will say that.

Mr. COOLEY. The people involved do not live on Government land; they live in a village of their own, and they only use the land for grazing.

Mr. FERNANDEZ. They are only grazing lands. They are not fit for cultivation.

Mr. COOLEY. They utilize them.

Mr. FERNANDEZ. Yes.

Mr. COOLEY. What the gentleman has in mind is that within a period of 3 years some person or corporation or municipality might be in a position to take over the lands, and the residents could continue to use them as they have in the past.

Mr. FERNANDEZ. That is right. This gentleman in his letter sends me a list of 95 veterans who are interested in organizing the village and incorporating it and buying this land for the use of the village.

Mr. TARVER. Mr. Chairman, will the gentleman yield further?

Mr. FERNANDEZ. I yield.

Mr. TARVER. Is the Farm Security Administration maintaining and utilizing these lands now?

Mr. FERNANDEZ. It is merely administering it in that it collects from the people the rent which comes to the Government for this land.

Mr. TARVER. In other words, the lands are in a caretaker status.

Mr. FERNANDEZ. That is all.

Mr. TARVER. Now the gentleman proposes to authorize them to administer, maintain, and utilize them. Why does he want to expand that type of ownership?

Mr. FERNANDEZ. Only for a period of 3 years to give these veterans who are coming back now an opportunity to get together and to purchase that land for themselves and their families and their

parents in this little village where they live.

Mr. TARVER. What I am interested in is this: The Farm Security Administration has the right under the provisions of this bill, as now amended, to keep this land that the gentleman has referred to for a period of 3 years for the purpose of selling it.

Mr. FERNANDEZ. Yes.

Mr. TARVER. Now the gentleman wants to amend that and to have the bill say that while the Farm Security Administration shall do that in regard to all other land in the United States that it owns, yet in the State of New Mexico it shall, in addition to keeping the land for the purpose of selling it, maintain and utilize and administer it. I cannot see how the gentleman can justify discriminating in favor of land in his State in that manner.

Mr. FERNANDEZ. May I say that we have other land in New Mexico that is not affected by my amendment and which will be divided up under this bill and sold in family units. I am limiting my amendment only to those four or five grants that were gotten by those villages from the Spanish Government merely for the purpose of giving them the opportunity during those 3 years to continue their efforts in purchasing those lands for themselves and for the veterans who live in those villages.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to ask the gentleman whether under the terms of this bill the gentleman's object would not be accomplished anyway?

Mr. FERNANDEZ. Under the terms of the bill those lands which can be divided into small family-size units would be covered by the bill, but then they would be under orders from the Congress to immediately, before the end of 3 years, sell the balance, and those people, until they get in position to do so, cannot buy them. The lands might go to speculators at 50 cents an acre or less.

Mr. VOORHIS of California. Is this land not suitable for division into family-size units?

Mr. FERNANDEZ. Absolutely not. It is grazing land, and it is mountain land in one county. They depend on the water on the grazing lands, and on the forest wood for their firewood. They are having a desperate time trying to make a living. That is the reason the Government stepped in and bought these lands for them. One of them has already been repaid.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Was there a time when the title to these lands on which the gentleman now desires these people to have the right to graze and get firewood was vested in some community out there, or in individuals?

Mr. FERNANDEZ. In the village, or rather, not in the village but in themselves as members of the village in com-

mon under the original system that came from the Spanish Government.

Mr. JENNINGS. Then it was sold for taxes, and did the title go to the Federal Government?

Mr. FERNANDEZ. It was sold for taxes and the title went in some cases to absent speculators, and then they sold it to the Government.

Mr. JENNINGS. Now the gentleman simply wants the Government to lease the land to these people in order that for a period of 3 years they may graze these lands and get firewood off them?

Mr. FERNANDEZ. And get these soldier boys back where they can incorporate themselves or the villages and purchase the land.

Mr. JENNINGS. It is the soldiers who will get the benefit of it?

Mr. FERNANDEZ. Yes; the veterans, and their parents, members of the village. The veterans are a little bit more educated than the old folks were and will in time work out a way to keep the land.

Mr. JENNINGS. They will come back there and get the benefit of these lands by grazing them and getting wood off them?

Mr. FERNANDEZ. They will incorporate these villages, if necessary, and then buy the lands for the villages.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

I am sorry I cannot accept this amendment. If the Farm Security Administration owns this land, by adopting this amendment you will be continuing one of the Farm Security Administration projects that we are all against and are trying to liquidate.

If there is merit in the gentleman's claim and he will come before the Committee on Agriculture we will give him a full hearing, but this is the first time this matter has been brought to the attention of any member of the Committee on Agriculture. It has no place in this legislation, which is an endeavor to rehabilitate veterans upon such of these lands as are susceptible of division into family-size units.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. These boys who are coming back are veterans. The only way they can help themselves is by buying these lands for the community for themselves and their families, and the members of the community who depend on this land for a living as they have for scores of years.

Mr. FLANNAGAN. I do not know anything about that. The committee has not had an opportunity to go into it. I think the gentleman should withhold his amendment and come before the Committee on Agriculture and let us go into the merits of his proposition.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Utah.

Mr. GRANGER. I think it is a very grave question whether the Farm Security Administration even has this land. I doubt it very much.

Mr. FLANNAGAN. I do not know. We do not know anything about it. We are legislating on a subject with which we are not familiar.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If the Government owns this land, or one of the departments covered in the bill, the soldiers can buy that land just the same as any other soldier can buy any other land covered by the bill.

Mr. FLANNAGAN. That is right. I hope the amendment will be voted down.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment. To the end that we may clear up this situation, may I ask the gentleman from New Mexico if he knows in whom the title to the land in question is vested at the present time.

Mr. FERNANDEZ. The title to the land is vested in the Federal Government. It was bought with the grants that were made to the New Mexico Rural Rehabilitation Corp. under the law we passed in the thirties, with which I am not too familiar. Then it was given to the Federal Government in trust, and the Federal Government holds the title as trustee for the people. Let me say very frankly that that is interpreted by many people as being title in the Government, and I rather agree with them.

Mr. COOLEY. In the event this land is forced on the market at the present time, who would be the prospective purchasers? Who would ultimately acquire the title?

Mr. FERNANDEZ. Only speculators, because nobody around there would buy the land in those large tracts.

Mr. COOLEY. As I understand, the gentleman is trying to keep this land from getting into the hands of speculators until his own people can organize an effort to acquire the title.

Mr. FERNANDEZ. I am only asking for 3 years for them to have the opportunity of buying this land.

Mr. COOLEY. There is another thing I want to clear up. There are FSA projects which all of us have objected to. As I understand, this is not operated as a community farm?

Mr. FERNANDEZ. No. I agree with the gentleman on the others, and I have no objection to that.

Mr. COOLEY. I just want to get it cleared up for the House. This is not a community farm. It is not one of Rex Guy Tugwell's communistic enterprises.

Mr. FERNANDEZ. Oh, by no means. The gentleman is correct.

Mr. COOLEY. This is property adjacent to a village and the people of that village are dependent upon this land for their livelihood.

Mr. FERNANDEZ. That is correct. Furthermore, if it is forced to be sold, it will have to be sold by the Government at a loss.

Mr. COOLEY. Unless we adopt the amendment which has been offered by the gentleman, we will force it to be sold



and some rich man will acquire it and speculate on it.

Mr. FERNANDEZ. That is correct.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. TARVER. The gentleman is too good a lawyer not to know that if the Government holds the land, as the gentleman from New Mexico has said, in trust for these people, the Government cannot sell the land.

Mr. COOLEY. I am not agreeing that it is held in trust. The gentleman from New Mexico states that is what he understands the situation to be.

Mr. TARVER. The gentleman from New Mexico so stated. What we are being asked to do here is to pass on something that none of us seem to know anything about and to pass a law dealing with the situation. Does not the gentleman think that his committee ought to pass on it first?

Mr. COOLEY. May I say to the gentleman from Georgia, of course, if the Government is holding title merely as a trustee, then the Government has no right to dispose of the land at all.

Mr. FERNANDEZ. I very frankly admitted, that in my opinion, the Government really holds the title and has the right to force sale on it.

Mr. COOLEY. And has made some contracts to convey a part of it, if I understood the gentleman correctly.

Mr. FERNANDEZ. To tell you the truth, I do not know the character of the transaction. All I know is that the efforts made by the Government in whatever arrangement they make had that for its purpose.

Mr. TARVER. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. Of course, I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman from New Mexico very frankly admits he does not know. I am sure the gentleman from North Carolina does not know. I do not know. Is there anybody present who does know the facts about this matter? If none of us know, then why should we undertake to legislate on this matter?

Mr. COOLEY. Whether we know or not, I do not see how it can hurt anything to put in this provision and protect the property for 3 years.

Mr. FERNANDEZ. They are administering it now, and the title is presumably in the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ].

The question was taken; and on a division (demanded by Mr. FERNANDEZ) there were—ayes 31, noes 51.

So the amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 2, line 4, after the word "enterprise", insert "including lands in the so-called water conservation and utility projects."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

I simply want to observe, Mr. Chairman, that with all the amendments, including all the amelioration in the bill, I believe I can support the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRIEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 2501, pursuant to House Resolution 545, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is there a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the Record in three instances and include newspaper articles.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend her remarks in the Record and insert a letter from a constituent.

Mr. ERVIN asked and was given permission to extend his remarks in the Record and insert a short magazine article on the United Nations.

Mr. LANE asked and was given permission to extend his remarks in the Record and include an article that will appear in the April edition of the magazine Columbia.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Record and include a list of organizations supporting civilian control of atomic energy.

Mr. JOHNSON of Oklahoma asked and was given permission to extend his remarks in the Record and include an address delivered by Hon. Claude Wickard.

Mr. HAYS asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. SPARKMAN asked and was given permission to extend his remarks in the Record and include an address he recently made in Columbus, Ohio.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### RADIO BROADCASTING

Mr. PATRICK. Mr. Speaker, this time to address the Congress was secured for the purpose of calling the attention of Congress to an editorial, a thing I seldom indulge in. This, however, is a timely editorial containing such educational and thought-provoking matter every Congressman will agree it is worth the presenting.

It has to do with the showdown that has finally come about in radio broadcasting. Variety, a dependable and worthy publication of high standing and fine standards, has in this editorial seen fit to set out one clear fact. That is that broadcasting is itself the employment of a public commodity and by the very nature of things cannot be operated under the same rules that obtain as to other private enterprise. We in this body are sure to be confronted in the days to come with legislation on this subject and it will be well for us to have the basic truth in mind that is so clearly pointed out in this editorial.

Here it is:

#### LET'S FACE IT!

The chips are down.

The inevitable showdown is here. Broadcasters now must face the fact that radio cannot operate under the same set of rules as those which govern other business operations. The comprehensive report of the Federal Communications Commission which, in effect, is a critical analysis of the public responsibility of broadcasters, has forced the entire industry to face the issue.

The first fact radio must face is that broadcasting is made possible only by the use of a public commodity. In the past the industry has only paid lip service to the responsibility inherent in its use of this commodity. To accuse a commission set up by the Government of assuming undue powers is to completely overlook this basic difference between radio and other private enterprise. Radio, of course, won't be Government-controlled in the United States of America, but it's equally obvious that it must operate under a different set of ethics than that which governs other private business. When the NAB makes the statement that the FCC reveals "a desire to impose artificial and arbitrary control over what the people of this country shall hear," it is forgetting this fundamental difference that sets radio apart.

Slowly but surely, over the past few years, over-commercialization has won out. Good taste, development of original radio technique and cognizance of public service programming have gone by the boards. Thus the FCC "showdown" report may be a blessing in disguise, coming as it does at a crucial moment, for growth in radio programming has been at a standstill. And if it has done nothing more than to alert the industry to a recognition of this stagnant status, the FCC report will have been of value.

Obviously the industry has brought upon itself the FCC proposals by its abuses, which were permitted to gain momentum simply because of a lack of policing. And it's obvious, too, that in the regulations that the FCC now suggests, there will be no excessive governmental interference. The constitutionality of control that regulates freedom of expression affords a wider interpretation

than that construed by the NAB. For in raising the cry against the threat to this fundamental freedom, the NAB is obscuring the issue by resorting to frantic flag-waving. The Constitution requires a broader reading today than it did a century and a half ago in order to encompass this new field of expression—radio.

There's little doubt that, if the public had been sufficiently vigilant and availed itself of its prerogatives, it could have made the broadcasters toe the mark. Or if the industry itself had been sufficiently enlightened to become aware that it was nearing the danger point, it could have taken the steps that would have made the FCC communicate unnecessary. It's apparent now that the industry has not exercised self-government, either of its own volition or by public pressure.

Another factor that would have helped tremendously in making the public cognizant of what it had a right to expect would have been a critical press; one that would have constructively played the part of a guide. Even with regulation, radio needs able criticism by men who respect it as a mature medium and accept it on a full par with other arts.

The Commission's blueprint for the future demands that the broadcaster give consideration to the FCC proposals and incorporate them into the running of his station, in addition to the mere business mechanics of operating the stations at a profit.

The FCC recommendations as such could well stand as a primer for the operation of a good radio station.

ROSE.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for today, on account of official business.

To Mr. AUCHINCLOSS (at the request of Mr. SUNDBSTROM), for 5 days, on account of illness in the family.

To Mr. HINSHAW (at the request of Mr. MARTIN of Massachusetts), for March 21 and 22, on account of official business.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

#### BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

#### ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p. m.), under its previous order, the House adjourned until Monday, March 25, 1946, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON THE CENSUS

The Committee on the Census will hold an executive session on H. R. 4781 on Friday morning, March 22, 1946, at 10 a. m.

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the securities subcommittee of the Committee on Interstate and Foreign Commerce at 10 o'clock Monday, March 25, 1946.

Business to be considered: Public hearing resumed in study of operations pursuant to the Public Utility Holding Company Act of 1935. Securities and Exchange Commission representatives heard.

##### COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday to and including Friday, April 19.

##### COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOYKIN: Committee on Patents, submits a supplemental report showing changes in the existing law made by the bill (H. R. 3756) to require the recording of agreements relating to patents (Rept. No. 932, pt. 2). Ordered to be printed.

Mr. HEBERT: Committee on Naval Affairs. H. R. 5765. A bill authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans, the silver service and silver bell presented to the United States for the cruiser *New Orleans*, without amendment (Rept. No. 1798). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3959. A bill to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American soldier who lost his life while serving overseas in the armed forces of the United States during the Second World War; with amendment (Rept. No. 1799). Referred to the Commit-

tee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 5149. A bill to govern the effective dates of ratings and awards under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, and for other purposes; with amendment (Rept. No. 1800). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLAN: Committee on the Judiciary. S. 1163. An act to provide for the appointment of one additional district judge for the northern district of California; with amendment (Rept. No. 1801). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURCH: Committee on the Post Office and Post Roads. H. R. 5059. A bill to provide temporary additional compensation for postmasters and employees of the postal service; with amendment (Rept. No. 1802). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Illinois:

H. R. 5839. A bill to permit the continuation of certain premium payments with respect to copper, lead, and zinc; to the Committee on Banking and Currency.

By Mr. ROCKWELL:

H. R. 5840. A bill to authorize an exchange of land in Eagle County, Colo.; to the Committee on the Public Lands.

By Mr. TRIMBLE:

H. R. 5841. A bill to empower Reconstruction Finance Corporation to lend money to school districts; to the Committee on Banking and Currency.

By Mr. BOYKIN:

H. R. 5842. A bill fixing the date of the termination of World War II for special purposes; to the Committee on Patents.

By Mr. FULTON:

H. R. 5843. A bill to prevent starvation abroad and increase domestic garden food production through establishment of daylight saving time; to the Committee on Interstate and Foreign Commerce.

By Mr. GEARHART:

H. R. 5844. A bill to amend sections 2801 (e) (4), 3043 (a), and 3045 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. PRIEST:

H. R. 5845. A bill to provide basic authority for the performance of certain functions and activities of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BOREN:

H. R. 5846. A bill authorizing the Secretary of Agriculture to investigate and install works and measures for the prevention of damage to agricultural lands and property and other values from the uncontrolled flow of water in tributaries of navigable streams that traverse groups of farms; to the Committee on Agriculture.

By Mr. THOM:

H. Res. 568. House Resolution to create a special committee to investigate the advisability of new legislation with regard to campaign expenditures, and for other purposes; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5847. A bill for the relief of Watson Airtotos, Inc.; to the Committee on Claims.



H. R. 5848. A bill for the relief of Mrs. Millicent Moore; to the Committee on Claims.

H. R. 5849. A bill for the relief of Mrs. Grace A. Phillips; to the Committee on Claims.

By Mr. MATHEWS:

H. R. 5850. A bill for the relief of Mrs. Mary Desmond; to the Committee on Claims.

H. R. 5851. A bill for the relief of Second Lt. Francis W. Anderson; to the Committee on Claims.

By Mr. RYTER:

H. R. 5852. A bill for the relief of Bronislaw Stalicia; to the Committee on Immigration and Naturalization.

By Mr. SIKES:

H. R. 5853. A bill for the relief of Mrs. Theresa Price; to the Committee on Claims.

H. R. 5854. A bill for the relief of Mrs. Jessie Louise Raines; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1721. By Mr. ANDREWS of New York: Resolution adopted by the Federation of Italian-American Societies in Buffalo, N. Y., expressing its desire to the President of the United States, Harry S. Truman, to have Mr. Earl Brennan appointed to the post of Ambassador to the Government of Italy; to the Committee on Foreign Affairs.

1722. By Mr. O'TOOLE: Petition signed by 60 residents of the Thirteenth Congressional District of New York, opposing any legislation or restrictions which may be proposed that will bring about partial or national prohibition; to the Committee on the Judiciary.

1723. By Mr. FLOESER: Resolution of the Central Council, American War Dads, to place a strict embargo on the exportation of lumber and other building materials which are needed for home construction; to the Committee on Ways and Means.

1724. Also, resolution of the Missouri State Association of Master Plumbers, opposing the area pricing orders G-31 and G-4 applicable to Kansas City and St. Louis, as being detrimental and discriminatory to the plumbing industry of that area; to the Committee on Banking and Currency.

## SENATE

FRIDAY, MARCH 22, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou whose blessings cannot be numbered, grant that our lives may be rich in the cardinal virtues of temperance, prudence, justice, and fortitude, and in faith, hope, and love.

May we rejoice in the blessed promise that no good thing wilt Thou withhold from those who do justly, love mercy, and walk humbly with the Lord. Enable us by Thy grace to repel every selfish propensity and every willful purpose.

We pray that these Thy servants, conscious of their high calling and opportunity, their privilege and trust, may be guided in a special way by the eternal

truth and righteousness of God. May they be equal to the challenge of every task as they frame the policies and administer the affairs of government for our beloved country.

Give them clarity of mind and courage of heart as they take counsel together for the building of a better world in which peace and prosperity shall be the glorious possessions of all Thy children.

In Christ's name we bring our petitions. Amen.

#### DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., March 22, 1946.  
To the Senate:

Being temporarily absent from the Senate, I appoint Hon. BURNET R. MAYBANK, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,  
President pro tempore.

Mr. MAYBANK thereupon took the chair as Acting President pro tempore.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 21, 1946, was dispensed with, and the Journal was approved.

#### LEAVES OF ABSENCE

Mr. CARVILLE. Mr. President, I ask unanimous consent to be absent from the Senate during next week on official business.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

Mr. WILLIS. Mr. President, I ask unanimous consent of the Senate that I may be permitted to absent myself from the sessions of the Senate for the next 10 days, until the first week of April.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, and it was signed by the Acting President pro tempore.

#### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 21, 1946, he presented to the President of the United States the enrolled bill (S. 1354) to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy; general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War.

#### EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

#### CLARIFICATION OF CERTAIN CUSTOMS LAWS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to clarify the customs laws relating to the customs supervision of lading and unlading of carriers, the furnishing of customs services outside regular business hours, and the extra compensation payable to customs employees for overtime services, and for other purposes (with an accompanying paper); to the Committee on Finance.

#### EXPORTATION OF CERTAIN COMMODITIES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities (with an accompanying paper); to the Committee on Military Affairs.

#### FACILITATION OF DECENTRALIZATION OF VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to facilitate the decentralization of the Veterans' Administration (with an accompanying paper); to the Committee on Finance.

#### REPORT OF ADMINISTRATOR OF RENT CONTROL, DISTRICT OF COLUMBIA

A letter from the President of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the Administrator of Rent Control for the District of Columbia, covering the period from July 1 to December 31, 1945 (with an accompanying report); to the Committee on the District of Columbia.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

#### ADMINISTRATION OF INDIAN LANDS—RESOLUTION OF INTERSTATE ASSOCIATION OF PUBLIC LANDS COUNTIES

Mr. CORDON. Mr. President, there has been sent to me a resolution adopted by the Interstate Association of Public Lands Counties, with reference to which I would comment at some length were it not the resolution itself is self-explanatory. I read it at this time:

#### Resolution 7

Whereas the several Indian tribes throughout the Nation have surplus funds to their credit in the hands of the Federal Government amounting to several millions of dollars; and

Whereas it is the desire of the United States Indian Service to perpetuate its wardship of the various tribes and the members thereof by attaching to said Indians additional acreage which will likewise lend some color of reason for continued administration and thus furnish an additional excuse for the perpetuation of the United States Indian Service and of its annual appropriation now totaling \$41,000,000 per year; and